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Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

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Clean Energy Council's Response to Accelerating Smart Meter Deployment, Directions Paper (ERC0378)

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback to the Australian Energy Market Commission's (AEMC) Directions Paper for the National Electricity Amendment (Accelerating Smart Meter Deployment) Rule.

The CEC is the peak body for the clean energy industry in Australia. We represent and work with Australia's leading renewable energy and energy storage businesses, as well as a range of stakeholders in the National Electricity Market (NEM), to further the development of clean energy in Australia. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

Smart meters are essential for effective integration of consumer energy resources (CER) in Australian households and small businesses, providing increased visibility and control for consumers over their electricity consumption and energy bills. The CEC is supportive of the two proposed new consumer safeguard mechanisms as a means to further reduce the risk of negative customer impacts and build social licence among communities.

The successful implementation of this Rule Change can be determined by two key priorities:

- Ensuring that customers with CER products and services can gain the most out of their rooftop solar, residential battery, electric vehicle, or smart device in terms of access to data or specific network tariffs and participation in smart aggregation programs.
- Ensuring that **all** customers, including those without CER, can benefit from a predominantly renewable energy grid and receive the lowest electricity prices possible.

The mandatory smart meter roll-out across Australia will address the first priority, in tandem with the successful implementation of the *Empowering Consumer with Real-time Data* Rule Change, this is expected to provide fast and accurate data to consumers. When considering

the second priority, the CEC is supportive of maintaining a flat tariff. We recognise many customers may still want access to the simplest tariff option available, however it is important not to stifle innovation. The Rule Change should still encourage networks to develop tariffs that fully recognise the benefits of CER and allow retailers to offer innovative retail structures.

We acknowledge the concerns raised by retailers surrounding the increased difficulty for electricity retailers to design flat rate tariffs when accounting for increasingly complex pricing structures. It is our recommendation that the AEMC engage further with retailers, particularly those offering innovative CER and Virtual Power Plant (VPP) options. This will ensure that the requirements proposed in the Rule Change will not impact their ability or willingness to develop new retail offers reflective of the value that CER and smart services can offer to the energy system.

1. Explicit informed consent for retail tariff changes

The proposed explicit informed consent (EIC) for retail tariff changes is a welcome addition to the Rule Change and will ensure enhanced choice and improved access to information while minimising unwanted customer experiences, such as bill shock. The extension of a three-year consent period ensures that customers will have adequate time to better understand and select tariff products that best suit their household, informed by their smart meter data.

These changes remove the onus on the customer to proactively engage with their retailer to understand changes to their retail tariff, placing the responsibility on the retailer to gain consent. We strongly support this approach and view the introduction of consent an essential step in building and maintaining social license and trust during and after deployment.

As outlined in the Directions Paper, we believe the requirement of the retailer to provide 30BD notice, historical bill comparison and supporting information about the new tariff at the conclusion of the three-year period is fair. The provision of these three documents to customers will ensure better communication of changes to the bill and outline a clear information sharing pathway that retailers must follow prior to the tariff change.

The CEC commends the AEMC for extending the proposed consumer safeguards to the installation of rooftop solar and home battery systems. As this purchase of these assets prompts the installation of a smart meter for numerous households throughout Australia, it is essential to ensure the enhanced consumer protections also apply to these customers. We strongly support the introduction of a three-year explicit informed consent period for the introduction of all new tariffs, including export tariffs and import tariffs such as time of use charges and demand tariffs.

2. Mandatory flat tariff offer for customers with smart meters

The proposed mandatory flat tariff offer for customers with smart meters, as outlined in the Directions Paper, is expected to provide additional options to customers and support simplicity. The CEC is supportive of customers maintaining choice and selecting a flat tariff that best suits their needs, reducing the complexity of tariffs. It is important that network service providers (NSPs) continue to innovate with tariff choices and set tariffs that best reward CER customers according to the value they can provide to the network, such as solar soak or two-way pricing for flexible exports.

This Rule Change cannot be considered in isolation and the successful roll-out of smart meters will be dependent on additional work the AEMC is undertaking. While majority of the review on the optimal tariff arrangements for customers will be considered by the AEMC's *Electricity Pricing for a Consumer-driven Future*, it is encouraged there is harmonisation with this Rule Change to ensure consumers have access to information and education around tariff choices.

We encourage the AEMC to work with multiple jurisdictions in the design and application of this rule, ensuring consistency for customers in how this will be applied across Australian states and territories.

3. Communication and education for customers

As discussed in the CEC's response to the Draft Determination, the new proposed customer safeguards should be well-communicated throughout the smart meter roll-out, alongside the expected benefits from smart meter upgrades. It is expected that consumers will seek information from trusted sources, such as electricians, community groups or financial advisors and these parties should be engaged during the communication of the program. This is expected to build social license and trust from consumers, reducing barriers to 100 per cent smart meter uptake by 2030.

Information regarding to tariff arrangements is currently hard for consumers to access. We suggest that the AEMC considers the development of an online tool for consumers, modelled off the Victorian Energy Compare website, as this already has the capability to integrate smart meter data¹. The development of a "Consumer Energy Resources Made Easy" website could seek to review the current functionality of the pre-existing Energy Made Easy website and improve access to information for consumers². "Consumer Energy Resources Made Easy" would assist consumers to understand different tariff arrangements relating to their CER products and services by offering comparison and information through a free, independent government service. The use of a website will allow greater access in regional areas and form a point of contact for customers with limited relationships with their retailers or installers.

It is important to note that EIC will be highly dependent on improved literacy and customer education on better understanding their own electricity bills and selecting a retail offer that suits their circumstances.

A key priority is empowering consumers to gain value out of their CER and more actively participate in demand side opportunities, reducing their electricity bills and contributing to a reduced spend on network infrastructure. The broader objective of driving down wholesale energy prices for all consumers can only be achieved if there is consumer education surrounding all available options. The CEC "Powering Homes, Empowering People" has a large focus on improved customer education, including suggesting a \$100 million CER Community Empowerment Fund to support consumers to understand how CER can work for them³.

¹ [Welcome - Victorian Energy Compare](#)

² [Energy Made Easy](#)

³ [Powering-Homes-Empowering-People-CER-Roadmap.pdf \(cleanenergycouncil.org.au\)](#)

We encourage the AEMC to consider three key recommendations that will ensure the successful implementation of smart meters, reducing potential negative impacts to customers and industry.

1. Engage further with retailers prior to the release of the Final Determination, consulting with those offering innovative CER and VPP options to ensure the requirements will not impact their ability to develop new retail offers.
 - This should include ongoing consultation and engagement with retailers on the implementation of communication around the roll-out and gaining EIC.
 - Consideration should be given surrounding achievable implementation timelines for communication and the development of consistent messaging for consumers.
2. Prioritise consumer education and literacy around energy offers, ensuring explicit informed consent can be achieved across different consumer groups.
 - The AEMC should seek to work with consumer advocates and industry to develop effective consumer education and communication programs.
 - The communications should be considered and consistent across different retailers and ensure customers can easily compare offers with the assistance of an independent, Government website.
 - The AEMC should commit to increased collaboration with the Communicating Metering Industry Steering Committee to understand barriers and support needed for the successful implementation of smart meters.
3. Prioritise successful outcomes and support work associated with other linked reforms to ensure there is harmonisation across different AEMC work streams.

We recognise a key driver of the accelerated Rule Change is to address customer concerns over a lack of information surrounding energy data and bills. Hence, we stress the importance of ensuring the implementation of the Rule Change should prioritise understandable consumer information and education, reducing the risk of negative customer impacts due to inconsistent communication.

The Clean Energy Council will continue to work collaboratively with the AEMC towards the effective communication of smart meter deployment and safeguard protections for customers. We are interested in ongoing consultation with the AEMC and look forward to the upcoming rule change request submitted by Energy Consumers Australia to improve meter data availability for consumers, including the availability of real-time data to both customers and their appointed agents.

It is expected that customer access to real-time data will further build social license for the acceleration program and ensure customers can realise the full suite of benefits of smart meters, as outlined in the reform design.

If you have any queries or would like to discuss the submission in more detail, please contact Emma Fagan at efagan@cleanenergycouncil.org.au.

Kind regards,

Emma Fagan
Acting Director of Distributed Energy
Clean Energy Council