

12 September 2024

Anna Collyer  
Chair  
Australian Energy Market Commission  
GPO Box 2603  
Sydney NSW 2000

Submitted via: <https://www.aemc.gov.au/contact-us/lodge-submission> (ERC0378)

Dear Ms Collyer,

### **Accelerating Smart Meter Deployment: Directions Paper**

Erne Energy welcomes the AEMC's Directions Paper that provides enhanced consumer protections for new recipients of smart meters under the Accelerating Smart Meter Deployment (ERC0378) rule change, proposed by Intellihub, Alinta Energy and SA Power Networks.

In our submission to the Draft Determination<sup>1</sup> we were concerned that in prioritising industry access to smart meter data, only requiring Retailers to give 30-days notice to consumers of new tariff and removing the ability of consumers to opt out of having a smart meter, did not meet the AEMC's key requirements under the National Electricity Objective of beneficial consumer outcomes:

*Do the proposed changes to the metering framework provide consumers earlier access to the benefits that smart meters offer? Do they improve consumer information and protections throughout the transition to smart meters? Draft rule, page 6.*

The Directions Paper, along with the pending rule change proposal from Energy Consumers Australia to give consumers access to their own real-time data (ERC0399)<sup>2</sup>, will at least give consumers and their agents access to the data that will allow a consumer to make an informed decision on whether any new cost-reflective tariff will be right for them.

We also support the requirement for Retailers to secure explicit informed consent before switching a consumer to a new tariff following the installation of a smart meter and we hope that the jurisdictions will seriously consider requiring Retailers to offer a flat tariff.

However, the case has not yet been successfully or adequately made for the benefits to individual consumers of cost-reflective tariffs or whether cost-reflective tariffs drive the responsive electricity use anticipated by the Distribution Network Service Providers (DNSPs)<sup>3</sup>. This is particularly the case given there are likely to be occasions in the future where the need to reduce demand to reduce network constraints will coincide with periods when to use less electricity may endanger lives<sup>4</sup>.

Additionally, as the recent Energy Networks Australia report identifies<sup>5</sup>, the DNSPs have under-utilised networks, indicating that they have significant capacity to support the addition of smaller-scale generation developments. The AER also indicates that distribution networks are only 42 % utilised<sup>6</sup> and the recent AEMO Electricity Statement of Opportunities, identifies that demand

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<sup>1</sup> [https://www.aemc.gov.au/sites/default/files/2024-06/erne\\_energy.pdf](https://www.aemc.gov.au/sites/default/files/2024-06/erne_energy.pdf)

<sup>2</sup> <https://www.aemc.gov.au/rule-changes/real-time-data-consumers>

<sup>3</sup> <https://energyconsumersaustralia.com.au/wp-content/uploads/report-cost-reflective-network-tariffs-arent-cost-reflective-5.pdf>

<sup>4</sup> [https://www.mja.com.au/system/files/issues/197\\_08\\_151012/bro10218\\_fm.pdf](https://www.mja.com.au/system/files/issues/197_08_151012/bro10218_fm.pdf)

<sup>5</sup> <https://www.energynetworks.com.au/news/media-releases/the-time-is-now-to-get-smarter-with-the-local-grid/>

<sup>6</sup> <https://www.aer.gov.au/system/files/2023-Electricity-network-performance-report.pdf>

forecasts are falling<sup>7</sup>. These reports certainly suggest that any network capacity issues are isolated and if that is the case, the need to husband limited capacity through cost-reflective tariffs, including solar export tariffs, is not yet justified.

While the need for cost-reflective tariffs is not yet established, the Directions Paper provides solutions that reduce the risks that there will be adverse consequences for consumers in adopting a smart meter and these solutions will hopefully support social licence needed for the accelerated rollout of smart meters.

Outside of the rollout of smart meters, there is still significant work to do in supporting consumers to access the benefits of smart meters to understand and manage their electricity use and to understand the implications of cost-reflective tariffs. Care is needed to ensure that there appropriate trusted providers of advice to consumers, as currently the only source is likely to be Retailers, with no other party assigned that role or responsibility.

Thank you for the opportunity to provide input on the Directions Paper. Please contact me if you need further information.

Yours Sincerely

A handwritten signature in cursive script that reads "Jill Caaney".

Dr. Jill Caaney

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<sup>7</sup> [https://aemo.com.au/-/media/files/electricity/nem/planning\\_and\\_forecasting/nem\\_esoo/2024/2024-electricity-statement-of-opportunities.pdf?la=en&hash=2B6B6AB803D0C5F626A90CF0D60F6374](https://aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/nem_esoo/2024/2024-electricity-statement-of-opportunities.pdf?la=en&hash=2B6B6AB803D0C5F626A90CF0D60F6374)