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Anna Collyer
Chair
Australian Energy Market Commission
Via online Portal
REF: ERC0399

Dear Ms Collyer

**Ausgrid response to AEMC Real-Time Data for Consumers Directions Paper**

Ausgrid is pleased to provide this submission to the Australian Energy Market Commission (**AEMC**) in response to its Real-time Data for Consumers Directions Paper. Ausgrid operates a shared electricity network that powers the homes and businesses of more than 4 million Australians living and working in an area that covers over 22,000 square kilometres from the Sydney CBD to the Upper Hunter.

We strongly support the intent of this rule change that consumers should have improved access to real-time data from their smart metering devices, to encourage them to engage more in their energy usage and save on their bills. However, Ausgrid has concerns with the proposed approach in the AEMC's Directions Paper which may discourage households from accessing their real-time data and slow innovation across the sector, which is crucial to unlocking products and services that benefit consumers. We believe these elements of the proposed approach in the Directions Paper may undermine the intent of Energy Consumers Australia's rule change request, and create a risk to the benefits of the rule change being realised.

**Improved DNSP access to a proper sample size of real-time smart meter data will have broad benefits**

Improved access to real-time data can empower consumers to better understand their usage and engage and participate in the energy market. In our view, this may incentivise greater competition to unlock the development of innovative and compelling products and services that consumers value which could help in providing savings on their energy bills.

We strongly disagree with the AEMC's assertion that improved access for distribution network service providers (**DNSPs**) to "real-time data is only incrementally beneficial". While access to 'basic' power quality data will help DNSPs with network visibility, planning and provide some safety improvements, access to real-time data will provide a range of significant additional benefits for consumers. As highlighted in our submission to the AEMC's Consultation Paper for the rule change request, DNSP access to real-time data will benefit customers through:

- **Outage management** – including real-time alerts and verification of customer supply or cause of outage at the time, or in advance of customers becoming aware of an outage. As critical sectors such as transport and heating electrify, customers are becoming increasingly reliant on the electricity system, which is resulting in increasing customer expectations in how networks manage outages. This can be seen in the highly destructive January 2025 east coast storms, which left more than 210,000 Ausgrid customers (over half a million NSW residents) without power for up to 7 days, during which time, many tens of thousands were without internet or phone signal, and some without water supply. As the frequency and severity of

climate related events grows, it will be critical for DNSPs to have more data to manage outages and support customers.

- **Life support and vulnerable customer outage management** – improved verification and notification of outages or planned maintenance operations for networks, and vulnerable and life support customers will help avoid unforeseen impacts ahead of time (for planned outages) and facilitate restoration prioritisation.

- **Asset condition monitoring** – improved data can assist in identifying asset or customer installation defects, which allows networks to fix them before they fail, reducing the risk of outages

- **Developing innovative products and services for customers** – which promote demand response and/or use of cost-reflective tariffs or new dynamic access products such as flexible connections and dynamic operating envelopes to improve utilisation of existing infrastructure before investing, lowering overall cost to customers. These products and services can help in improving the management of the network and help customers save on their bills.

- **Dynamic voltage management** – monitoring voltage compliance at customer premises using smart meter data and actively setting network voltages. This can also be used to manage system security risks from minimum system demand events (e.g. emergency backstop measures), which could reduce the need to curtail customers' rooftop solar during these events.

These use cases would provide a range of benefits for customers including:

- More efficient use of resources through a reduction in customer callouts, improved outage management capability and management of safety incidents;
- Enhanced safety benefits through life support validation, including the potential for improved restoration times for life support customers;
- More efficient network growth capital expenditure through more granular and timely information about consumer energy resource (**CER**) assets, which will support faster and more accurate decision-making to integrate CER;
- The potential for increased customer savings through better utilisation of CER assets;
- A reduced risk of curtailing CER through dynamic operating envelopes and dynamic pricing; and
- Additional benefits through connectivity validation, voltage compliance and dynamic network management.

As a result of the range of significant benefits for customers from the provision of real-time data access to DNSPs, Ausgrid requests the AEMC further consider its proposal to not provide DNSPs with free access to this data. We note under the AEMC's proposal, DNSPs would be able to access real-time data as a third party on commercially negotiated terms during the 15-year transitional period after obtaining customer consent. However, requiring DNSPs to seek customer consent to obtain real-time data is inconsistent with current arrangements under the National Electricity Rules. Under these arrangements, DNSPs can purchase advanced power quality data without customer consent or, alternatively, install a network device on a customer's metering installation, which would effectively enable the provision of real-time data, without customer consent.[1] We also note under the final rule for the *Accelerating smart meter deployment* rule change, DNSPs will be provided with access free basic power quality data without customer consent. These arrangements reflect the role of DNSPs in using this data to manage the reliability, safety and security of our

[1] For example, see the definition of "network device" in the National Electricity Rules.

networks for all customers. We request the AEMC further consider the proposal to require DNSPs to seek customer consent for obtaining real-time data in light of its inconsistency with current arrangements.

As highlighted further below, we also continue to have concerns about the small number of metering parties and the risks of higher costs for customers and a lack of market transparency for smart metering data services. We recommend the AEMC undertake further independent analysis on the costs and benefits of providing free real-time data to DNSPs.

**A 15-year transition period is not appropriate for a rapidly evolving energy sector**

The AEMC has proposed that retailers be able to charge consumers and third parties for access to real-time data from smart meters for the next 15 years. In making this decision, the AEMC notes that many smart meters do not currently have in-built real-time data functionality and a transitional period has been selected to align with the typical smart meter replacement timeframe.

We urge the AEMC to reduce this proposed transitional period. The energy market is rapidly transitioning. The technical capabilities of energy products and energy consumer expectations are likely to drastically change over this period. The costs of providing real-time data services will likely also reduce over time. A 15-year transitional period will not promote innovation from retailers or MDPs, or encourage them to find ways to reduce costs, and is therefore not in the best interest of consumers. We also note that the long proposed transitional period also increases the risk that customers will be highly unlikely to seek access and pay for real-time data access, which could mean the benefits of the proposed rule change may not be realised.

In addition to reducing the proposed transitional period, we recommend the AEMC also include a period for a review of the rules within 2-3 years of the final rule's implementation, to ensure the charging of consumers for real-time data remains appropriate in light of our transitioning market. This would allow the AEMC to make access to real-time data free at an earlier date, if the market had evolved to a point where it was appropriate and consider how the costs of providing these services are evolving.

As noted in our submission to the AEMC's Consultation Paper, we support the ECA's proposed definition for real-time data *as 'delivered to parties instantaneously or within a five-minute timeframe'* as a minimum service specification. While we support the AEMC's proposal for MDPs to be required to communicate real-time data from smart meters using a standard data, and for AEMO to develop open-standards, we urge the AEMC to explicitly consider amendments Schedule 7.5 (e) as part of this rule change process. The rules should clarify that the minimum service specifications for all future smart meters include the ability to access the real-time measurements of voltage, current and power by that metering installation. Mandating this capability through Schedule 7.5 (e) will broaden consumer choice and help to drive down prices throughout the transition period.

We welcome further collaboration with the AEMC and industry on this rule change proposal. Please contact Emma Vlatko, Senior Policy Advisor at emma.vlatko@ausgrid.com.au should you wish to discuss further.

Regards,

Timothy Jarratt
Group Executive, Market Development & Strategy