



EnergyAustralia

7 March 2014

Mr John Pierce
Australian Energy Market Commission
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Sydney South NSW 1235

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Your ref: EMO 0028

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Dear Mr Pierce

Re: AEMC Supplementary Paper: – Regulatory Framework

Framework for Open Access and Common Communication Standards. – Smart Meters

EnergyAustralia (EA) appreciates the opportunity to provide a submission on the Supplementary Paper: Regulatory Framework and the draft recommendations proposed in this paper.

We are one of Australia's largest energy companies, providing electricity and gas to over 2.7 million household and business customers in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. We also own and operate a multi-billion dollar portfolio of energy generation and storage facilities across Australia, including coal, gas and wind assets with control of over 5,600MW of generation in the National Electricity Market.

EA appreciates the opportunity to attend the recent public forum on this smart metering issue facilitated by the AEMC in Sydney. The forum provided the opportunity to better understand the view of the various stakeholders and to gain more clarity on the draft AEMC recommendations.

EA together with the ERAA has consistently advocated for market based outcomes with minimal regulatory intervention and it is pleasing to advise that we generally support the AEMC draft recommendations.

Regulation of Access and Accreditation

The following recommendations are supported:

- Regulation is not required for services related to accessing or charging for smart meter functionality regardless of which parties provide this service;
- At a point in time in the future a competition review should be undertaken to reconsider these access issues once a metering and data framework is in place and the market has matured;
- Network businesses should negotiate and pay access for smart meter functionality on a commercial basis similar to other market participants. This places the correct incentives on network business to only access the services that will deliver economically efficient benefits;

- Persons with responsibilities associated with the provision of services to manage access to smart meter functionality and smart meter technologies will require accreditation under the National Electricity Rules (NER);
- A set of transitional arrangements with respect to Victoria will be required as this segment of the market does not have metering contestability due to the existence of a derogation from the NER.

If accepted by SCER these recommendations will assist the development of smart metering services delivered under commercial arrangements ensuring customer benefits are maximised.

Care must be taken to ensure individual jurisdictional derogations do not undermine these sound recommendations. This is particularly important as most non distribution entities operate across jurisdictions in order to achieve economies of scale across the National Electricity Market.

Should you require further information regarding this submission please call me on 03 8628 1437.

Yours sincerely

[Signed]

Randall Brown
Regulatory Manager