

2 July 2015

Mr John Pierce
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged electronically: www.aemc.gov.au

Reference: ERC0182

Dear Mr Pierce,

**RE: National Electricity Amendment (Meter Replacement Processes) Rule 2015
Consultation Paper**

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide comments in response to the Australian Energy Market Commission's (AEMC) Consultation Paper (**the Consultation Paper**) on the Meter Replacement Processes Rule Change proposed by ERM Power.

The ERAA represents the organisations providing electricity and gas to over 10 million Australian households and businesses. Our member organisations are mostly privately owned, vary in size and operate in all areas within the National Electricity Market (NEM), and are the first point of contact for end use customers of both electricity and gas.

ERM Power is a member of the ERAA, however as the proponent of this rule change proposal its individual views have not been included in this submission.

Materiality of the problem

The ERAA supports the intent and objective of proposed rule change. The ERAA however believes that the AEMC's Expanding Competition in Metering and Related Services rule change (metering contestability rule change) will achieve the necessary separation of the meter change process from the customer transfer process.

The immediate problem the rule change proposal seeks to address is therefore confined to the period to which the Australian Energy Market Operator's (AEMO's) amended Meter Churn Procedures come into effect (i.e. 1 September 2015), and the effective date of the metering contestability rule change. We note that the AEMO procedures will require further review and amendment to support the policy and operational intent of the metering contestability rule change.

Consumer experience

Under AEMO's amended procedures, the limitation on retailer initiated metering exchanges, including the ability for retailers to organise a meter exchange in market systems has been extended to all meter types and cannot occur until post transfer. This will prohibit consumers wanting a type 1-4 meter from being able to realise the benefits that the advanced meter will provide until at least six business days after their retail transfer is complete; however in



reality this is likely to occur much later. In addition, if an objection is raised, this may further delay meter replacement up to an additional 20 business days.

In order to improve consumer experience, the ERAA believes that the framework should allow flexibility with respect to the alteration of metering installations by allowing incoming retailers the ability to organise these changes prior to (or on) the customer transfer date, with any meter exchanges occurring on or immediately after the retailer is considered FRMP in the market systems. The ERAA recognises that there may be issues surrounding small customers particularly in relation to move-in/move-out customers that may require further practical consideration.

ERAA's preferred position

The ERAA recognises that AEMO's procedures are currently considered non-compliant with the National Electricity Rules (NER), given the probable amendment to the applicable obligations following implementation of the metering contestability rule change. However we would prefer the AER extend the period of no action until AEMO's procedures are amended in recognition of the metering contestability rule change. Extending the period of no action would remove the significant cost and disruption to retail businesses in amending internal processes and systems twice in a relatively short period and enable smoother customer experiences. As far as the ERAA is aware, no party has demonstrated any customer detriment flowing from current industry practice and the AEMO procedures.

The ERAA notes that some of our members have additional concerns with respect to the implementation of the amended procedures on 1 September 2015. These issues have been raised separately in these members' individual submissions.

The ERAA looks forward to working further with both the AEMC and AEMO in developing market solutions that facilitate meter replacement and alteration to occur efficiently and provide the best customer outcomes.

Should you wish to discuss the details of this submission, please contact me on (02) 8241 1800 and I will be happy to facilitate such discussions with my member companies.

Yours sincerely,



Alex Fraser
Interim CEO
Energy Retailers Association of Australia