

A few  
words.

7<sup>th</sup> March 2014

**Mr John Pierce**  
**Australian Energy Market Commission**  
**PO Box A2449**  
**Sydney South NSW1235**

Dear Mr. Pierce,

**RE: Supplementary paper: regulatory framework for open access and common communication standards (Ref EMO0028)**

AGL Energy (**AGL**) welcomes the opportunity to provide feedback in response to the Regulatory framework for the open access and common communication standard review supplementary paper (the **Supplementary Paper**).

AGL operates in energy retailing, energy services, generation (coal-fired, gas-fired as well as solar and wind renewable sources) and upstream gas extraction. AGL also represents energy retailers on the AEMC's Advisory Stakeholder Working Group.

AGL supports the provision of smart metering under a competitive metering and services framework, (**Market Led**) approach, which is one of the three key reforms proposed by the AEMC to achieve an efficient balance between the demand and supply sides in the National Electricity Market.

AGL broadly supports the recommendations of the AEMC in the supplementary paper. More specifically, AGL strongly supports the AEMC recommendations on regulation of access and accreditation and Distributor access to smart meters.

**Regulation of access and accreditation**

AGL believes that the policy and regulatory framework for metering must be underpinned by strong commercial arrangements that ensure an effective and efficient 'Market Led' approach is adopted. AGL believes that regulatory and policy intervention will limit commercial investments in smart metering. In our view, under contestable arrangements, market forces should be allowed to operate without regulatory intervention and commercial negotiations be used for required services to ensure an efficient outcome for consumers. We therefore support the AEMC's draft recommendation in the Supplementary Paper, that access to smart meter functionality should not be subject to regulation. We also agree that a competition review be conducted to assess the effectiveness of the smart metering market when the changes have had time to take effect.

AGL supports the AEMC's draft recommendation that persons responsible for managing access to smart meter functionality should be accredited by AEMO. Although the Smart Meter Provider role is not for comment as part of the Supplementary Report, we note that we do not support an introduction of a new role into the NEM as per our response to the draft report. AGL believes that new and existing functions can be managed under the existing roles of Meter Provider and Meter Data Provider, both of which have specific obligations under the NER and are accredited by the Australian Energy Market Operator.

- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series

### **Distributor access to smart meters**

AGL believes that where a network business requires access to a service in another party's smart meter, beyond metrology services, that they should be subject to an appropriate fee for access. Therefore we support the AEMC's recommendation in the supplementary paper that network businesses should negotiate and pay for access to smart meter functionality on a commercial basis, and should not be entitled to a defined level of "basic" smart meter functions free of charge.

AGL believes that there is strong commercial incentive on contestable metering service providers, under a commercial smart meter rollout, to ensure that competitive pricing and access to services are provided to network business.

### **Transitional arrangements in VIC**

While the AEMC do not specifically seek feedback on this matter, AGL would like to highlight our concerns with regards to jurisdictional specific policies and derogations that can potentially limit any commercial investment in smart metering. Therefore, we note outcomes of the review ensure that a nationally consistent and consolidated framework is developed and adopted.

Please contact Stephanie Bashir on (03) 8633 6836 if you wish to discuss any of these comments further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alex Cruickshank'.

Alex Cruickshank  
Manager Metering and Market Interactions

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