

**AEMC Public Forum – Competition in metering and related services
30 April 2015 (Sydney)**

Opening remarks – John Pierce, Chairman, AEMC

Thank you everyone for coming along today. We very much appreciate your attendance and your interest in this rule change. I should also thank the people who have volunteered to present. We have about 10 presenters in addition to the speakers from the Commission.

This rule change is perhaps one of the more complex and detailed rule changes that the Commission has had to deal with. It's involved a complete rewrite of the metering chapter in the National Electricity Rules, and in that way it's been quite an exercise. We've had six stakeholder forums, and dozens of submissions, many of which were prepared by those of you who are here today. We very much appreciate that sort of contribution from the sector. We really can't do our job as well as we might without your contribution. All that effort has, of course, been for good reason.

I was recently reflecting that when we were thinking about what a national, competitive electricity market may look like twenty years ago, the possibility of having a competitive market for metering services had been part of the vision despite having other things to deal with at the time. And now, changes in consumer preferences, technology and also price, have turned that possibility into somewhat of a necessity.

This rule change, from our perspective, is the key to unlocking the full value and benefit of consumer participation in our energy markets. If you like, it is the key or the fulcrum that gives us the most value out of the other Power of Choice recommendations that most of you would be familiar with.

The Power of Choice package of reforms dealt with facilitating the development of a services market, getting the most out of cost reflective network pricing structures, improving customer access to information about their energy consumption and enabling customers to use this information to manage their electricity use and find the best deal. This rule change provides the missing link between these reforms.

Of course the Commission is guided by the National Electricity Objective when it's assessing rule changes, and we see the draft as contributing to this in three ways. First, by having a market-led approach it means that the investment in these sorts of services will be driven by the choices that consumers make. The onus is on the businesses involved to be able to present a package that has value to the consumer.

Second, we expect it to improve the efficiency of the system as a whole by influencing the decisions that consumers make.

Third, advanced meters potentially increase the sort of consumer participation and choice in products and services, which in itself drives innovation across the sector.

A couple of principles underpin this:

One being that by having a market-led approach we're really putting the consumer in the driver's seat so that it's their choices that drive investment and innovation and the take-up of particular technologies, rather than those choices being driven by the premise that there's an all knowing, all seeing, omnipresent regulator directing people as to what they should be doing.

Second, by having this sort of market-led approach and the sorts of minimum standards, for instance, that are embedded in the draft rule, we're not seeking to place bets on one particular technology. We want a regulatory regime that is flexible enough to be able to respond to whatever the future may bring, because we really don't know, and we shouldn't pretend to know, what types of technologies are going to emerge in the future or what sort of technologies are going to best align with consumer preferences. Through a market-led approach, we're putting the challenge of working out the best technologies to the businesses that have to compete to hold onto consumers.

So for today the three Commissioners, myself, Neville Henderson and Brian Spalding, as well as the Commission staff for this project led by Richard Owens, are very much in listening mode. We're very keen to hear your views, and all we would ask is that in commenting on this particular rule change you bear in mind all those other reforms which are dependent on this one working.