



Consultation begins on the review of metering services

The AEMC has commenced consultation on the Review of the regulatory framework for metering services and invites stakeholders to provide submissions to the consultation paper.

The review will determine whether the reforms introduced under the 2015 *Expanding competition in metering and related services (Competition in metering)* rule change have met expectations and whether changes are required to improve the efficiency and effectiveness of the regulatory framework for metering services. The review will also determine whether the regulatory framework for metering services supports the implementation of other electricity sector reforms where metering services will play a key role.

Through the review, the Commission will develop recommendations relating to the regulatory framework for metering services which may include changes to the National Electricity Rules (NER), National Energy Retail Rules (NERR) and any other relevant regulatory instruments.

Consumer outcomes and experience will be a key consideration when making recommendations in the review.

Scope of the review

The review will examine whether the expectations of industry, market bodies and other stakeholders have been met, with particular focus on:

- The current state of smart meters in the NEM (excluding Victoria)
- Where smart meters have been installed, whether their expected benefits are being realised
- If there are any barriers to either the rollout of smart meters, or their expected uses
- The significance of any differences between the current situation and expectations.

The review will also consider the future of metering services and will have regard to:

- the services meters may be expected to deliver in the future
- the desired role of smart meters in the future
- the impact of other market reforms on metering regulatory frameworks.

The suitability of the current market structure will be also be examined in the review.

Background

On 1 December 2017, new rules commenced to introduce a competitive framework for metering services. The *Competition in metering* rule sought to introduce a market-led approach to the deployment of smart meters and rule intended to facilitate consumers to drive the uptake of smart meters, and innovation, through their choice of new products and services. It also allowed retailers to roll out smart meters where they can see benefits from the services provided (such as remote meter reading). The *Competition in metering* rule involved significant amendments to the NER and the NERR.

The *Competition in metering* rule made extensive amendments to the metering-related provisions of the NER and NERR, including transferring the metering related roles and responsibilities from the distribution network service provider to the newly created role of the metering coordinator.

In the final determination, the AEMC recommended that the ability of small customers to appoint their own Metering Coordinator be reviewed three years after the commencement

of the new Chapter 7 of the NER. In addition, the AEMC recommended that whether some form of access regulation of metering services is required should also be reviewed at that time.

As there have been a number of implementation issues, including three issues which have been the subject of rule changes, since the commencement of *Competition in metering*, this review will be broader than the AEMC originally envisaged. As well as looking at the ability of small customers to appoint their own Metering Coordinator, and whether some form of access regulation is required for metering services, a more holistic review of the regulatory framework for metering services will be undertaken.

Next steps

Submissions to the consultation paper are due **Thursday 11 February 2021**.

Stakeholders interested in being part of the Reference Group for the review are encouraged to register their interest at registration@aemc.gov.au by **Thursday 11 February 2021**. The purpose of this group will be to provide targeted feedback on key issues raised in the review, and to inform and 'stress test' AEMC staff's thinking. The AEMC seeks to include a broad range of stakeholders.

In addition to the Reference Group, the AEMC welcomes any opportunities to discuss with interested stakeholders all aspects of the provision of metering services for small customers. Stakeholder interested in further discussions should contact Alisa Toomey on (02) 8296 0633 or alisa.toomey@aemc.gov.au.

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