MASTER ELECTRICIANS AUSTRALIA

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AEMC

Introduction of metering coordinator planned interruptions

Malcolm Richards / February 2020

INTRODUCTION

Master Electricians Australia (MEA) is the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. Our website is www.masterelectricians.com.au

DRAFT RULE

The AEMC has proposed the following draft rule following a request from CMIG

> *The draft rule introduces timeframes for the installation of meters to be completed in cases where there is shared fusing at a premises. Under the draft rule, where it is discovered the installation of an electricity meter, or the rectification of a malfunctioning meter, will require interrupting the supply to other customers the following timeframes would apply:*
>
> - *retailers would be required to complete the meter installation within 30 business days of discovering the shared fusing*
> - *metering coordinators would be required to rectify meter malfunctions within 30 business days of discovering the shared fusing*
> - *upon request by a retailer or metering coordinator, distributors would be required to carry out a distributor planned interruption within 25 business days in order to allow for the retailer or metering coordinator to meet their timeframes.*
>
> *The draft rule also:*
>
> - *contains minor changes to make it clear that a retailer is able to interrupt supply to any of its own customers for the purpose of installing, maintaining, repairing or replacing metering equipment, not just the customer receiving the new meter, subject to meeting existing notice or consent requirements.*
> - *amends the requirements to be covered within the Metrology procedure to require retailers and metering coordinators to inform distributors when shared fusing is discovered, with distributors to then record the shared fusing information as soon as practicable.*

MEA CONCERNS

MEA shares the concerns that the CMIG has raised in their initial request for a rule change and has concerns regarding the proposed rule change as suggested by the AEMC.

Single point of isolation / Shared fuse is a long term historical issue created by vertically integrated generation, distribution and retail energy suppliers of the past that now must be addressed after deregulation.

The National Electricity Objective as stated in the National Electricity Law (NEL) is:

*"to promote efficient investment in, and **efficient operation** and use of, **electricity services for the long term interests of consumers of electricity** with respect to:*

- *price, quality, safety and reliability and security of supply of electricity*
- *the reliability, safety and security of the national electricity system."*

(highlight added)

MEA draws attention to the objective and in particular the ***efficient operation and long term interests of consumers.***

We would support the CMIG position and would argue against some of the considerations that the AEMC appears to have heavily weighted in its consideration.

The AEMC purview is to protect consumers however the AEMC must reach a balance between protecting consumer and not perpetuating or creating inefficient practices that have the potential to add thousands of dollars and weeks of delays for consumers. It is a balancing act whereby the needs of varying size of consumers are pitted against the efficiency of the system to reduce larger scale costs being incurred by the community more broadly. In reviewing the AEMC draft rule MEA believe there are a number of points where the AEMC has not got the balance right in this circumstance.

We draw the AEMC attention that there is NO guarantee from any retailers, distributor, generator or any level of Government that power will never be interrupted or lost. The AEMC has correctly idenitifed as a consideration there are "at risk consumers" who are medically reliant, however 100% connectivity has never been a guaranteed, and cannot be.

In every state with every supplier and retailer all consumers with life support are informed and technical alterations and backup systems are put in place. As an example

https://www.energex.com.au/home/power-outages/customers-on-life-support

https://www.energyaustralia.com.au/home/help-and-support/faqs/life-support

https://www.agl.com.au/get-connected/connection-support/life-support

MEA suggests that the AEMC has given considerably more weighting to unaffected Consumer rights via a consideration of "uninterrupted supply" guarantees and contractual relationships than the efficiency and cost for consumers. In Queensland the following guarantees apply to outages length and frequency. Source https://www.energex.com.au/about-us/our-commitment/to-our-customers/guaranteed-service-levels

Length

> *Restore power after an interruption to supply within eight hours for Brisbane CBD customers and 18 hours for customers outside the Brisbane CBD. A $114 payment for each eligible outage.*

Frequency

Ten or more interruptions of supply over a financial year for customers in Brisbane CBD and urban areas. Sixteen or more interruptions of supply over a financial year for customers in rural areas.

The following interruptions of supply are excluded from these guarantees:

- *interruptions of one minute or less duration*
- *interruptions due to generation or transmission problems (see the Code for full details)*
- *planned outages*
- *interruptions caused or requested by you*
- *interruptions due to natural disasters (refer to the Code for full details)*

We believe that the AEMC has made an over estimation and not taken into account that these consumers do have contingency plans and equipment that ensures continuity in place. MEA supports better information concerning medically at risk consumers and believe there are better systems to identify “at risk” consumers, however we believe in this case the AEMC consideration has weighted this argument too highly and that this has resulted in the draft rule not meeting the Objectives of the NEL

The AEMC has also highlighted consumer rights and contractual relationships as being important consideration. and that consumers who have no relationship with the conjoined consumer who share the single isolation point / shared fuse.

> *The draft rule also seeks to improve consumer outcomes over time by the requirement for AEMO to include in its metrology procedures obligations on retailer and metering coordinators to inform distributors of shared fusing that they become aware of, and on distributors to record the shared fusing information as soon as practicable.*

In practice the rule as explained will result in additional expenses being incurred eventually by the consumer. The Rule indicates that the process will follow this interaction

1. Customer requests meter from retailer – agreed install date or 15 days for a replacement – 6 days for a new con)
2. Retailer requests metering install from MP – timeframe subject to commercial agreement – on agreed date or within timeframe)
3. MP attends site and discovers shared fuse and advises retailer unable to complete work – time frame resets to 30days (Truck role 1)
4. Retailer requests group isolation from network – time frame 25 days
5. Network send truck to asses site – this is when the Network would typically advise customer of when the interruption would be by leaving a card (Truck role 2) – this is typically a time range and it written on the card left with the customer.
6. Network advised everybody of interruption (via there website) and contacts MP to coordinate visit with MP
7. Network and MP attend site at same time to interrupt and install meter. (2 truck roles at the same time)

A TOTAL OF NINE WEEKS / 45 BUSINESS DAYS AND 4 TRUCK VISITS.

Metering providers truck roles are subject to a commercial agreement with the retailer and costs are met by the consumer. In this case and the way the rule is designed means that one consumer will pay for 4 truck visits and then another consumer will pay an additional 4 truck visits later as the issue is not resolved on the first occurrence.

By our estimates this will add between $1000 and $1600 per corrected meter.

In an attempt to quantify the costs we refer to Independent Pricing and Regulatory Tribunal (IPART NSW) report Retailers metering practices in NSW Final report released 2018 (IPART retailers meter installation-practices-in-nsw). The report details at Figure 2.1 Digital meter requests by reason (number , %) – December 2017 to June 2018 that AGL, Energy Australia, Origin Energy and Red Energy received 19,495 requests to replace broken meters during the time period.

The 2016 ABS Census states that 25.8% or 1.2 millions dwellings are Units, apartment or semi-attached house. MEA realises that building and electrical rules have varied in each state but only recently accounted for multiple fuses we estimate conservatively that 50 % of market would result in the AEMC suggested rule being enacted for consumers.

Meter changes needed	600,000
Additional customer cost average of $1200	$720,000,000

Assuming that NSW is one third of the Australian market and assuming installation rates for solar and new buildings remains constant, replacement meters are installed in Australia at a rate of about 25000 per year, this legacy issue will take 24 years to complete.

These figures are based purely on replacement of meters it does not include Upgrade installations for Solar upgrades. In the same period the IPART report shows an additional 23,000 solar meter upgrades done which will increase the above cost to consumers.

MEA believes that the rule and current process does not meet the objectives and that there are alternatives to reduce time frames for metering providers, reduce costs for consumers and increase the safety of future works and lessen disruptions. Suggestions include

- Accredited Service Provider scheme enacted for all Metering providers and Electrical Contractors to allow for rectifying historical vertical integrated installations regardless of retailer.
- Allow for verbal confirmation from affected consumers with controls to check for high risk consumers such as Life Support recipients.
- Metering providers to deal directly with Body Corporates if applicable to facilitate change.

The AEMC rule, in practice, is effectively reducing a private citizens right to manage their own affairs and is further introducing inefficiency and cost into the system. Which we would say is directly against the Objective.

The proposed rule by the AEMC as it has been framed has not considered or evaluated the possibility that metering providers (qualified electrical contractors) in the event of shared fusing may benefit from being given authorisation by the AEMC to resolve these historical choke points to ensure that in future the consumer protection and consumer relationship is as it should be, separate from other consumers. Currently single isolation or shared fusing is costly to remain as is and that the proposed AEMC draft ruling will add significant costs and time over runs that will are counter initiative to what the AEMC should be trying to achieve in the longer term.

Malcolm Richards
Chief Executive Officer