

Our ref: 0743-1608241381-197

11 February 2021

Ms Alisa Toomey  
Australian Energy Market Commission  
GPO Box 2603, Sydney NSW, 2001

Dear Ms Toomey

**Submission - Review of the Regulatory Framework for Metering Services – EMO0040**

Thank you for the opportunity to make a submission on the Review of the Regulatory Framework for Metering Services (the **Review**).

**Background to EWOQ**

The Energy and Water Ombudsman Queensland (**EWOQ**) provides a free, fair and independent dispute resolution service for small electricity and gas customers across Queensland and water customers in South East Queensland who are unable to resolve a dispute with their supplier.

This submission is based on our experience as an external dispute resolution scheme dealing with residential and small business energy customer complaints in Queensland.

**Feedback on the Review**

Feedback on the Review is contained in the template response table attached to this correspondence.

EWOQ notes the opportunity it was afforded to provide data on metering disputes and recurring issues in advance of the Review. The issues raised in our earlier responses are reiterated. The substantive part of this submission relates to issues customers are experiencing, as reported by those customers to EWOQ.

If you require any further information regarding our submission, please contact Ms Lyndal Bubke, Principal Policy Officer on 07 3087 9423 or [lyndal.bubke@ewoq.com.au](mailto:lyndal.bubke@ewoq.com.au).

Yours sincerely



Jane Pires  
Energy and Water Ombudsman

# REVIEW OF THE REGULATORY FRAMEWORK FOR METERING SERVICES

## STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in the consultation paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

### SUBMITTER DETAILS

**ORGANISATION:** Energy Water Ombudsman (Queensland)

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**DATE** 11 February 2021

### PROJECT DETAILS

**NAME OF RULE** **Review of the regulatory framework for metering services**  
**CHANGE:**

**PROJECT CODE:** EMO0040

**PROPONENT:** AEMC

**SUBMISSION DUE** **11 February 2021**  
**DATE:**

### CHAPTER 1 – INTRODUCTION

<b>1. Consideration of other market reforms and related work</b>	
1.1 Are there other significant market reforms that are likely to impact the metering framework that the Commission has not identified?	EWOQ does not comment specifically on this matter.
21.2. Is there additional related work that the Commission should consider in this metering review?	EWOQ does not comment specifically on this matter.

<p>1. <b>Assessment framework</b> – Do you agree with the Commission’s proposed Assessment Framework for this review? Are there any additional criteria we should consider as a part of this framework?</p>	<p>EWOQ supports the emphasis in the assessment framework on positive customer outcomes and consumer choice, as well as the adequate provision of information to enable parties to make informed decisions. These issues are critical to the present and future success of metering.</p>
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## CHAPTER 3 – THE CURRENT STATE OF METERING

<p><b>2. Expectations of meter rollout</b></p>	
<p>3.1 How does the roll out of smart meters to date compare with your expectations?</p>	<p>While this Office does not report on or collect data of smart meter uptake in Queensland, we recorded an increase in disputes concerning metering in the three months after the reforms to metering came into effect in December 2017. These disputes largely related to delays by retailers in installing new meters for new customers, and in transferring new customers across. As was reported in greater detail in our earlier advice to the AEMC, these issues caused some confusion and negative outcomes for customers, with many unsatisfied with the service provided and some experiencing financial loss on account of delays in meter installations. EWOQ did anticipate an increase in disputes of this kind. EWOQ notes that this period only appeared to last for around three months until disputes concerning metering returned to normal levels.</p>
<p>3.2 Is the current pace of smart meter deployment appropriate? What should be the appropriate pace of rollout?</p>	<p>EWOQ notes that according to the Consultation Paper as well as the recent Energy Consumer Sentiment Survey (by Energy Consumers Australia) data, South East Queensland (and Queensland as a whole) has some of the lowest rates of smart meter uptake in the country. For more customers to obtain the benefits of smart meters, focus should be placed on jurisdictions such as Queensland where uptake is low.</p>
<p>3.3 What benefits are smart meters providing consumers? Have the benefits changes or improved over time?</p>	<p>EWOQ acknowledges that smart meters provide several benefits (actual and potential) to customers, including most significantly the ability to adopt more cost-efficient tariffs (such as time-of-use tariffs) and also the ability to access usage data faster and with greater ease. However, as will be highlighted below, there are some areas in which these benefits are not being utilised or provided.</p>
<p>3.4 have the prices for smart meters plus the costs of associated products and services changed from the introduction of <i>Competition in metering</i>? If so, how?</p>	<p>EWOQ does not comment specifically on this matter.</p>
<p><b>3. Are incentives in the right place?</b></p>	
<p>4.1 Are the incentives in relation to smart meter rollout correct? Please provide details on why/why not.</p>	<p>EWOQ does not comment specifically on this matter.</p>
<p>4.2 Is the current market structure financially viable? If</p>	<p>EWOQ does not comment on the market structure specifically, but notes that where there is any uncertainty as to roles and</p>

<p>not, for whom is it not financially viable?</p>	<p>responsibilities (for example, as between retailers and metering coordinators) this can disadvantage customers financially and cause customers to incur unnecessary fees or (where uncertainty delays meter installation) even incur costs from arranging suitable power sources or alternative accommodation. It is critical that the responsibilities for each relevant party are sufficiently clear to ensure that avoidable delays are prevented as these can cause additional costs to consumers.</p>
<p><b>2. Drivers of smart meter roll out</b></p>	
<p>5.1 What were your expectations regarding the drivers of smart meter rollouts?</p>	<p>At the commencement of the smart meter rollout in Queensland, EWOQ anticipated consumer interest in smart meters, on account of their potential cost-saving value. While the data put forward in the Consultation Paper shows a consistent increase in smart meter uptake since 2016 in Queensland (and other jurisdictions), the total percentage of Queenslanders using a smart meter remains lower than anticipated. The comments below highlight some feedback EWOQ has received which may (in part) account for this.</p> <p>It was anticipated that there would be initial difficulties in managing the change to smart meters, and that this would cause a period of higher-than-usual disputes concerning metering. This was in fact the case (as was detailed more fully in our earlier submission).</p> <p>It was anticipated that there would be a period of at least 10-15 years during which then-existing meters would remain active in the consumer community. This was in part anticipated due to published estimates on the lifespan of then-existing meters. In our experience, some meters have been replaced prior to the end of their lifespan on account of family errors.</p>
<p>5.2 Has there been any changes in the overall reasons for installing smart meters since the <i>Competition in metering</i> rule commenced?</p>	<p>EWOQ does not comment specifically on this matter.</p>
<p>5.3 Which parties should be responsible for driving the roll out of smart meters?</p>	<p>EWOQ does not comment specifically on this matter.</p>
<p>5.4 Do consumers have clear information on the benefits of smart meters and their rights relating to requesting a smart meter?</p>	<p>It cannot be assumed that customers will see inherent benefits in smart metering. By way of example (further discussed below), customers who are accustomed to older forms of metering often report dissatisfaction with the manner in which usage is presented by smart meters, being different from the "start" and "end" reads they are used to. Further, if a customer has experienced difficulty in installing a smart meter this may affect their perception of smart metering overall, even where their issues were caused by party error and not by the smart meter itself.</p> <p>On the basis of complaints received, and from customer feedback, it appears that many customers do not have clear information about how smart meters work, or their potential benefits. It is important to acknowledge that tariff structures and usage data can be complex, and the ways in which meter data is provided to customers with smart meters presently can be confusing. This complexity has caused some EWOQ customers to express frustration with smart meters, and there is a perception amongst some that the technology is being</p>

	<p>“forced” onto them. This suggests a lack of clear incentives to adopt smart meter technology.</p> <p>It is also worth noting that EWOQ has received feedback from a number of customers who are concerned about perceived negative health consequences associated with smart meter use, including customers who have refused smart meters or lodged disputes after an attempt by a retailer to transition the dwelling to a smart meter. The communications capability and perceived health risks associated with this was the cause of particular concern to some customers. While these concerns appear to be only held by a minority of customers and are not supported by the current understanding of the risks of smart meter use, it is important to understand the fears associated with uptake of this (relatively) new technology.</p> <p>It is suggested that stronger education initiatives, both on how smart meters work and on how time-of-use tariffs function, would increase customer awareness of smart meters and their benefits. It is also important that these benefits are realised in practice, through clear and readily available usage data that is presented in a form customers will understand, and from smooth interactions with the various parties responsible for metering.</p>
<p>3. <b>Customer experience</b> – what are your views on the customer experience in relation to smart meter rollout and installation?</p>	<p>EWOQ does not collect data on what percentage of our customers use a smart meter, and so we can only comment on customer experiences where metering itself is in issue. It is acknowledged therefore that this feedback will not reflect positive customer experiences with smart metering, but only problems and dissatisfaction reported to us through disputes.</p> <p><b>Providers not accepting responsibility for delays and other issues</b></p> <p>One issue which has arisen in a number of disputes concerning smart meters is that of delays caused by providers (including delays in replacing requested meters, installation of incorrect meters, incorrect installation of meters and delays in replacing faulty meters). A common complaint is that a requested or required installation has been delayed, and no party has accepted responsibility. This results in a poor customer experience and potentially additional cost to the customer. Delays also prevent customers from experiencing the benefits of smart meters.</p> <p>Under the current Rules, while a retailer is the entity with a direct relationship with the customer, and while they are fundamentally responsible for metering issues, much of the work involving meters is delegated to metering data providers (<b>MDPs</b>) and metering coordinators (<b>MCs</b>). While this is typically in accordance with the Rules, there are issues in practice of customer confusion with which entity is responsible for changes to their meter, and which is responsible for any delays which might occur. Further, EWOQ has experienced retailers passing responsibility and blame for delays and issues onto MDPs and MCs and not addressing customer concerns.</p> <p>As customers have a direct relationship with the retailer, and the ultimate responsibility for ensuring provision of service rests with the retailer, it is reasonable for customers to assume that the retailer should be responsible for rectifying (promptly) any metering issues. Customers largely do not understand the difference between their retailer and a MDP or MC, and as such disputes can be lodged with EWOQ against the incorrect party.</p>

For customer experience to improve, there needs to be greater accountability on providers to remedy wrongs and communicate clearly. This issue appears to arise because retailers are unwilling to accept responsibility for the actions of their contractors. EWOQ (and other energy ombudsmen) do not have jurisdiction to resolve disputes between customers and MDPs or MCs, and such an extension of this jurisdiction would likely not result in better customer outcomes.

Customers should not be required to negotiate disputes with up to three entities. It is EWOQ's position that retailers should be responsible for promptly handling and resolving metering disputes through ombudsman processes even where the dispute has arisen due to the actions of its contractors.

### **How usage is displayed**

As noted earlier, EWOQ commonly receives feedback from customers that they do not understand the manner in which usage data is presented on smart meters. Customers familiar with the older-format meters are used to start and end reads, which can be shown on a bill and then manually checked on their meter.

With many smart meter bills, customers can only see the total consumption for the billing period. They are unable to see "read to read" which causes these customers to feel they are less in control of their usage. Further, as they cannot manually compare a total usage figure to the figure showing on their physical meter, they are unable to check if a retailer is billing them correctly.

While with adequate understanding of smart meter data (and sensible display of that data), the clarity of usage information should be higher than in older meters (i.e. customers should be able to tell not only their usage for the period, but also their peak periods of use), for many customers this is not their reality.

While this dissatisfaction may be partly a result of customer reluctance to change existing habits (for example, customers who have been manually checking their total usage on their meter for many years), EWOQ understands that this is also an issue caused by the unhelpful and confusing ways in which some smart meter data is presented.

In a billing dispute (the highest portion of disputes received by EWOQ), it is a standard procedure for EWOQ to request usage data from retailers to ascertain if billing amounts are appropriate. Many EWOQ team members have reported requesting current usage data from retailers where the customer is using a smart meter and receiving huge quantities of data (often over 20,000 rows reflecting each 30-minute interval) in response. This data is difficult at times for even trained EWOQ team members to interpret. Further, the data is often only provided after a number of requests, with many delays being caused by the MDP not providing information to the Retailer. This means that key benefits of smart metering – fast and easy access to usage data – are not being realised in practice.

### **Solar meters**

EWOQ has received complaints concerning the delays in installing smart meters when rooftop solar is installed. In some instances, delays of over 6 months have occurred. Further, customers have reported that following the

	<p>installation of a new meter, there is a delay in receiving data on exports, resulting in delays in billing.</p> <p>EWOQ has also received reports of new meters which are not appropriately configured following solar installations for the correct tariffs. This can result in higher costs for customers than should be charged.</p>
<b>4. Industry Cooperation</b>	
7.1 Do you have any suggestions on how industry cooperation can be improved?	<p><b>Cooperation between providers</b></p> <p>As noted above, EWOQ has experienced and has received reports from customers of some poor cooperation between retailers and MDPs/MCs when issues arise with meters. Without clear guidance as to which party bears the responsibility concerning the customer and their experience, delays and unnecessary costs will likely continue for customers.</p> <p>In EWOQ's experience, there can be substantial wait times for customers and EWOQ team members in obtaining updates from retailers where that information is held by the MDP or MC. This suggests that in some instances, communication could be improved between these entities.</p> <p><b>Cooperation with EWOQ and other ombudsmen/regulators</b></p> <p>EWOQ has identified delays in wait times to receive metering data from certain retailers, and (as noted above) the data is often presented in confusing and difficult-to-analyse formats (sometimes without dates or times – just usage numbers). Further, in the case of some retailers the data provided is already over 24 hours out of date. These delays and the extra time required for EWOQ team members to analyse and comprehend the information provided both result in a worse outcome for all involved parties.</p> <p>Greater cooperation could take the form of speedier processes, both between retailers and their contractors, and then between the retailers and ombudsmen schemes in terms of the efficient provision of meter data following prompt responses from contractors (as detailed above). Further, a revised approach to how smart meter usage data is presented would greatly assist EWOQ team members (and likely other ombudsmen team members) in assessing disputes and may even prevent disputes from arising if it resulted in greater customer comprehension of the information.</p>
7.2 Are changes to the market structure or roles and responsibilities needed to improve the consumer experience?	EWOQ does not comment specifically on this matter.
<b>5. Expectations of metering services</b>	
8.1 What expectations did you have around the services that smart meters would provide?	While EWOQ did not hold firm expectations for the services that smart meters would provide beyond those advertised (namely greater access to time-of-use tariffs), it was hoped that certain functions, such as interactive smart phone applications, real-time data display and easily downloadable usage data, would be available and utilised.
8.2 What services are being provided by smart meters	As is detailed further above customers have reported issues with accessing their real-time usage data, or even usage data

currently? Are these services widely available?	generally in a useful format. For these customers, the anticipated benefits of smart metering have not been realised.
8.3 What services do you expect from smart meters which have not eventuated?	
8.4 Are there any services being provided by smart meters which were not anticipated at the time of the <i>Competition in metering</i> rule change?	EWOQ does not comment specifically on this matter.

## CHAPTER 4 – THE FUTURE STATE OF METERING

<b>4. Collection and use of metering data</b>	
9.1 In relation to metering data, what data should be captured by smart meters, and why?	While EWOQ does not comment on what additional data should be captured by smart meters, it reiterates the comments above that how this data is presented remains a significant issue and a barrier to customer comprehension.
9.2 In relation to metering data, who should be able to access metering data, and how? What protections should be in place?	EWOQ does not comment specifically on this matter.
9.3 What impact do you think the Consumer Data Rights may have on the access to, and use of, metering data?	EWOQ does not comment specifically on this matter.
<b>5. Future metering services</b>	
10.1 What is your understanding of the other services that smart meters can provide?	EWOQ does not comment specifically on this matter.
10.2 What future services do you expect or want metering to facilitate?	EWOQ does not comment specifically on this matter.
10.3 If additional services are to be provided by smart meters, how should the costs of providing these services be allocated?	EWOQ does not comment specifically on this matter.
<b>6. Penetration of smart meters required</b>	
11.1 Are particular metering services only cost effective when a particular penetration is achieved? If so, what services and what penetration is required?	EWOQ does not comment specifically on this matter.
11.2 What other factors are important in determining whether the provision of particular services are efficient	EWOQ does not comment specifically on this matter.

or effective (e.g. geographic spread).	
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## CHAPTER 5 – ARE CHANGES REQUIRED TO THE REGULATORY FRAMEWORK?

<b>6. Encouraging the adoption of smart meters and future services</b>	
12.1 Is the current regulatory framework appropriate for the current needs of metering and the market? Is it flexible enough to provide encouragement for the development of future services in metering?	EWOQ does not comment specifically on this matter.
12.2 To encourage the higher adoption of smart meters: (a) What changes, if any, need to be made to the current regulatory framework for metering services? (b) What changes, if any, need to be made to other instruments? (e.g. regulatory instruments, guidelines, codes)	EWOQ does not comment specifically on this matter.
12.3 Are there any other avenues of encouragement that are available that the Commission has not considered in this paper?	EWOQ does not comment specifically on this matter.
<b>7. Barriers to realising the benefits of smart meters</b>	
13.1 Are there other barriers that were not identified by the Commission that you have found to prevent the realisation of benefits of smart meters and/or slowed the rollout of smart meters in the NEM?	EWOQ does not comment specifically on this matter.
13.2 What changes, if any, need to be made to the current regulatory framework for current arrangements to improve deployment?	EWOQ does not comment specifically on this matter.
13.3 Are there other tools outside of the regulatory framework that may address some of the current barriers to realising the benefits of	EWOQ does not comment specifically on this matter.

smart meters and/or the slower rollout of smart meters in the NEM?	
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## OTHER COMMENTS

<b>8. Information on additional issues</b>	EWOQ does not comment specifically on this matter.
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## REGISTRATION OF INTEREST FOR REFERENCE GROUP

If you are interested in nominating for the Review of the regulatory framework for metering services Reference Group you can email [registrations@aemc.gov.au](mailto:registrations@aemc.gov.au) or provide details of the person you would like to nominate below:

Name	
Position	
Phone number	
Email address	