AEMC

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

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PROJECT DETAILS

NAME OF RULE CHANGE:	**Review of the regulatory framework for metering services**
PROJECT CODE:	**EMO0040**
PROPONENT:	**AEMC**
SUBMISSION DUE DATE:	**11 February 2021**

CHAPTER 1 – INTRODUCTION

1. Consideration of other market reforms and related work	
1.1 Are there other significant market reforms that are likely to impact the metering framework that the Commission has not identified?	The metering data the subject of the "regulatory framework" seems to be only the data required for the purpose of delivering high quality products and service to consumers. There appears to be a lack of focus on the ability of metering systems to deliver high levels of data that can be used for improving the safety of customer connections and the DNSP's networks. The data can and is being used to predict failures before they occur in other jurisdictions.

21.2. Is there additional related work that the Commission should consider in this metering review?	Horizon Power services remote and regional Western Australians and over the past two years over 200 faulty neutral connections have been identified and rectified. These faults could easily have caused significant injury or death. The network operator needs access to a range of data from meters to be able to identify these and many other scenarios. The current framework has meant that this data is not being seen by the network operator, and more likely not collected. The framework has accountability for collecting data in the hands of those who are not accountable for the safety of the connections and networks and this data is therefore not a focus.
2. **Assessment framework** – 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?	Horizon Power believes the original decision whilst made in good faith removed the metering obligation from the entities that could use the significant majority of the data available through advance metering, the DNSP's, to entities that by their very design cannot use most of the data. This review should also be considering how to get network and system performance data also available through appropriate and cost effective meter reading systems to the DNSP's.

CHAPTER 3 – THE CURRENT STATE OF METERING

3. Expectations of meter rollout	
3.1 How does the roll out of smart meters to date compare with your expectations?	Horizon Power cannot comment on this question.
3.2 Is the current pace of smart meter deployment appropriate? What should be the appropriate pace of rollout?	Horizon Power rolled smart meters to all of its connection in 2015/16 based on a business case, and have achieved all of the benefits on which the business case was based since that time. The project based roll out achieved 99%+ installation which meant all benefits were achieved. A roll out based on customer demand means that the benefits that are available through smart metering are largely not available at all to the DNSP's or retailers other than on a piecemeal basis.
3.3 What benefits are smart meters providing consumers? Have the benefits changes or improved over time?	Horizon Power retail have developed an App that is beneficial to customers which some 30% of customers have taken up and are using with 15% being daily users. The App is free and is available on both IOS and Android. The App also enables prepayment metered customers to purchase credit from their homes which is also being widely used. Customers are viewing their consumption patterns through the App as well.
3.4 have the prices for smart meters plus the costs of associated products and services changed from the introduction of *Competition in metering?* If so, how?	N/A to Horizon Power

4. Are incentives in the right place?	Over many years of investigating the Advanced Metering, (AMI), options for Horizon Power, it became apparent that incentives really don't work unless there is considerable benefit to a customer. A good example of this was the Feed in Tariffs that were developed and deployed in many jurisdictions, and the very real impact on the uptake of renewable energy generation for households. The Western Australian Government also recently reduced the cents per kWh available to customers, and there has not been a significant slow down in renewable energy applications in towns where there is hosting capacity available.
4.1 Are the incentives in relation to smart meter rollout correct? Please provide details on why/why not.	Horizon Power is a vertically integrated utility. Therefore, all benefits accrue to the utility, which partially explains why the Horizon Power Advanced Metering Business case had a positive NPV. Since the roll out of AMI, a significant new product has been trialled on an opt in basis. The product involved reduced cost to customers and was based on them maintaining their use of energy under an agreed demand maximum and with data sent to them every 15 minutes on the Horizon Power App. This product has only been picked up by a small number of customers when offered at move in.
4.2 Is the current market structure financially viable? If not, for whom is it not financially viable?	In the case of the Victorian market environment, and for Horizon Power, network operators have had the enormous benefit of data regarding customer connections and the network in general through the significant levels of engineering data that is available from the meters and attainable at reasonable cost through communications systems. This data is being received as often as every 5 minutes and is cost effective in a radio mesh environment, (and could be in a point to point environment although that is not tried and tested or proven in either jurisdiction).
5. Drivers of smart meter roll out	
5.1 What were your expectations regarding the drivers of smart meter rollouts?	The cost savings available to Utility businesses could be a driver for smart meter roll outs if the case could be presented across the market rather than divided between retailers, DNSP's and possibly generators.
5.2 Has there been any changes in the overall reasons for installing smart meters since the *Competition in metering* rule commenced?	Horizon Power benefitted from the role out of smart meters by the reduction in costs because incorrect fault calls were reduced to remote areas because the meters allow the identification of faults on the customer's side from those on the network side; removal of physical meter reading and disconnection reconnection activity in all areas; the use of remote disconnection for move outs which significantly reduced the instance of supply premises without customer accounts. Since the inception and development of data processes, it is now clear that the safety and condition aspect of customer connections and networks is an enormous benefit both reputational and for cost savings.

5.3 Which parties should be responsible for driving the roll out of smart meters?	It is Horizon Power's belief that the model as it stands favours customer benefits only, and that the significant benefits to the DNSP's should be considered by this review. If the current structure was tweaked to enable the Metering Coordinator to receive requests through the retailers, and then on forward under service delivery agreements to the DNSP's, the model as it is now would be maintained, and it would also able the network operator to arrange meter exchanges where needed in hot spots etc., which would be identified through the engineering data available. Hence moving the roll out forward bsed on cost savings of identifying network and customer issues without extensive filed based ausits. Issues can be pinpointed.
5.4 Do consumers have clear information on the benefits of smart meters and their rights relating to requesting a smart meter?	N/A to Horizon Power
6. **Customer experience** – what are your views on the customer experience in relation to smart meter rollout and installation?	In the Horizon Power situation, a well planned and executed project meant all customer, (almost), received the AMI meters within 12 months. From a distance, it seems that the current structure has enabled the meter manufacturers to use the environment to push their own agendas including the use of their proprietary head end systems and telecommunications devices. Horizon Power has recently experienced the development of this "market power' through a recent RFQ.
7. Industry Cooperation	
7.1 Do you have any suggestions on how industry cooperation can be improved?	It appears from the West that the industry has developed a siloed approach. Is it possible that a more collaborative approach between the sectors could be developed and advantage all parties
7.2 Are changes to the market structure or roles and responsibilities needed to improve the consumer experience?	As stated above in Question 6.
8. Expectations of metering services	
8.1 What expectations did you have around the services that smart meters would provide?	The role out of AMI in Horizon Power's service area was network driven. However, the customers have benefitted significantly by the development of the App which provides them with helpful information. A tariff alternative has been developed. The App has helped prepayment, (PPM), customers with purchasing credit in what is generally regarded as the most advanced PPM system in the world.
8.2 What services are being provided by smart meters currently? Are these services widely available?	As described above. Along with remote disconnection and reconnection services, interval data through the App, usage charts, bill prediction etc.
8.3 What services did you expect from smart meters which have not eventuated?	N/A

8.4 Are there any services being provided by smart meters which were not anticipated at the time of the *Competition in metering* rule change?	N/A

CHAPTER 4 – THE FUTURE STATE OF METERING

9. Collection and use of metering data	
9.1 In relation to metering data, what data should be captured by smart meters, and why?	Metering data should not be seen as a fixed format. There should be a minimum level of data that is sufficient for the market to operate and for retailers to deliver the products they have available to their customers. Smart meters can also collect and transmit significant volumes of very detailed engineering data that is extremely useful to DNSP's. As an example, where a DNSP receives a voltage complaint from a customer or retailer, meters around the customer and attached to the same feeder or transformer can be added to a group and polled for additional data.
9.2 In relation to metering data, who should be able to access metering data, and how? What protections should be in place?	The DNSP should have access to all data. The retailers should have access to the data they need for their customer products. The market should have access to the data it needs to operate. And the customer should have access to data they want, but not necessarily through a retailer. All customers are customers of both a retailer and a DNSP. Data outside of the requirements for customer Retail products could be made available in a DNSP's App for example.
9.3 What impact do you think the Consumer Data Rights may have on the access to, and use of, metering data?	Horizon Power expects there will be change and is awaiting the role out to the energy sector.
10. Future metering services	
10.1 What is your understanding of the other services that smart meters can provide?	Smart meters can deliver a wide range of data, which is limited by the compute and storage capacities available in meters and by the restrictions of the telephony networks and the cost of both back haul services and of meters with greater capacity.
10.2 What future services do you expect or want metering to facilitate?	The services available to a network operator and or a retailer are already extensive. There is a groundswell of discussion regarding control of customer appliances to enable the network operator to better manage the impacts to the network of such equipment as customer's renewable energy solutions.
10.3 If additional services are to be provided by smart meters, how should the costs of providing these services be allocated?	The additional cost of Distributed Energy Resource management, (DERMs), is not yet identified, although some costs are obvious. It is clear though that the customer receives benefit from DERMs systems, whilst the network operator needs to manage the same or changing network

	with less income available to it. The current model of retailer paying customers for energy exported to the network seems to be a model that suited a vertically integrated utility as the benefit might largely be received by the generator.
11. Penetration of smart meters required	
11.1 Are particular metering services only cost effective when a particular penetration is achieved? If so, what services and what penetration is required?	Any metering service that requires field activity will only be cost effective when the field service personnel are no longer available. For example, from a meter reading perspective, partial remote reading on a route is possibly more difficult to manage then a full manual read route and accordingly is likely to see costs increase.
11.2 What other factors are important in determining whether the provision of particular services are efficient or effective (e.g. geographic spread).	

CHAPTER 5 – ARE CHANGES REQUIRED TO THE REGULATORY FRAMEWORK?

12. Encouraging the adoption of smart meters and future services	
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?	The current framework meets the needs of the market and to the degree customers are demanding smart meters it meets that need as well. It also does not enable the DNSP's to develop data driven responses to network issues customer issues nor DERMs, nor does it allow the DNSP's to develop technical solutions to any manner of issues, without adding cost.
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)	To develop the best way forward, the decisions taken in the next stages for the market need to be customer driven. It is very difficult to find information anywhere about 'what do consumers want". There are many other electricity market surveys but it is difficult to find any truly detailed research in this area. If as seems to be the case with the uptake of different product in many jurisdictions, the electricity consumers really want to set and forget as suggested in the CSIRO recent reports, then uptake of smart technologies will likely remain low.
12.3 Are there any other avenues of encouragement that are available that the Commission has not	

considered in this paper?	
13. Barriers to realising the benefits of smart meters	
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?	The inability of the DNSP's to receive data has meant that there is no drive for them to assist in the role out.
13.2 What changes, if any, need to be made to the current regulatory framework for current arrangements to improve deployment?	Mandate the role out as in Western Australia and Victoria.
13.3 Are there other tools outside of the regulatory framework that may address some of the current barriers to realising the benefits of smart meters and/or the slower rollout of smart meters in the NEM?	

OTHER COMMENTS

14. Information on additional issues	

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 registations@aemc.gov.au or provide details of the person you would like to nominate below:

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