

9 February 2021

Ms Alisa Toomey  
Australian Energy Market Commission  
Level 15, 60 Castlereagh St  
Sydney NSW 2000

Reference: EMO0040

Submitted online: <https://www.aemc.gov.au/contact-us/lodge-submission>

Dear Ms. Toomey

## **RE: Review of the Regulatory Framework for Metering Services**

Thank-you for the opportunity to provide a submission in response to the Australian Energy Market Commission's (AEMC) Review of the Regulatory Framework for Metering Services consultation paper (Review Paper).

Momentum Energy Pty Ltd (Momentum) is an Australian operated energy retailer, owned wholly by Hydro Tasmania, Australia's largest producer of renewable energy. We pride ourselves on providing competitive pricing, innovation and outstanding customer service to electricity consumers in Victoria, New South Wales, South Australia, Queensland, the ACT and on the Bass Strait Islands. We also retail natural gas to Victorian customers. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services.

### **1. Overview of Competitive Metering Services**

The Review Paper has advised that 1.04 million smart meters have been installed across the National Electricity Market (NEM) excluding Vic, equating to a 17.4%<sup>1</sup> penetration. The Review Paper also reports that stakeholders had generally expected a faster roll out than what has occurred even though the metering framework has only been in place since 1 December 2017. Smart meters have mostly been installed for the following reasons<sup>2</sup>:

- Customer Request 37.47%;
- New Connection 24.86%;

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<sup>1</sup> AEMC Review of Regulatory Framework for Smart Meters Dec 2020 p18

<sup>2</sup> AEMC Review of Regulatory Framework for Smart Meters Dec 2020 p22

- Meter repair/replacement 23.17%; and
- New Meter Deployment 14.5%.

Momentum is of the view that the current competitive metering framework has been generally effective as it has ensured that smart meters have been installed when requested by customers or where the existing metering has failed or at end of life. Therefore non Victorian customers in the NEM have not been subjected to the additional cost of smart meters that the mandatory rollout created in Victoria. Customers have only invested in smart meters where they have been incentivised to do so in order to receive an associated benefit such as a solar/battery installation, electric vehicle charging or an energy management system.

It should also be recognised that a readily identifiable consumer benefit of smart meters is remote services including remote de-energisation and re-energisation and remote meter reading. Remote re-energisation and de-energisation has not been fully utilised in several jurisdictions due to safety regulations and or a lack of a suitable approval process. For instance NSW only approved a process for retailer remote service authorisation from 1 November 2020. In QLD re-energisation of sites still requires an on-site safety inspection hence the benefits of remote re-energisation and de-energisation have not been achieved in this jurisdiction either.

Remote meter reading will also deliver more frequent and accurate billing and this will progressively contribute to the cost benefit as basic meters are replaced with smart meters. Other consumer benefits attributed to smart meters have supported distribution network control resulting in improved system reliability and power outage management. It is understood that these benefits will increase as the penetration of smart meters also increases. Several recently proposed initiatives in the electricity market announced under various strategy papers<sup>3</sup> and rule changes will also drive increased demand for smart meters. These initiatives should not simply justify a more aggressive roll out of smart meters alone. This approach would repeat the unfortunate expensive mandatory roll out of smart meters that commenced in 2007 in Victoria. Most customers in Victoria have not realised many of the perceived benefits of the mandatory roll out as reported by the Victorian Auditor General (September 2015) “Realising the Benefits of Smart Meters”. The Auditor General reported that consumers needed to change their behaviors to achieve the benefits of a smart meter. This further supports the competitive metering service framework that currently exists in non-Victorian NEM jurisdictions.

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<sup>3</sup> **Energy Security Board NEM Data Strategy,**

<http://coagenergycouncil.gov.au/sites/prod.energycouncil/files/publications/documents/NEM%20Data%20Strategy%20-%20Public%20Consultation%20Paper%20Mar2018.pdf>

**NSW Electricity Strategy** [https://energy.nsw.gov.au/sites/default/files/2019-11/NSW%20Electricity%20Strategy%20-%20Final%20detailed%20strategy\\_0.pdf](https://energy.nsw.gov.au/sites/default/files/2019-11/NSW%20Electricity%20Strategy%20-%20Final%20detailed%20strategy_0.pdf)  
energy strategy,

**Energy Security Board Moving to a Two Sided Market** <https://prod-energycouncil.energy.slicedtech.com.au/sites/prod.energycouncil/files/Two-sided%20markets%20-%20ESB%20COAG%20Paper-%20Consultation.pdf>

## 2. Customer Experience with Meter Replacements

During the review period there have been issues that were caused, as a result of the transition of meter replacement from distributors to retailers (Metering Co-Coordinator), resulting in some suboptimal customer experiences. Some of these have been identified in the Review Paper and have recently been resolved with changes to rules and procedures.

Some of the meter replacement issues that continue to exist are:

- the lack of readily available detailed information of meter installations at sites resulting in multiple site visits;
- the existence of asbestos and non-compliant meter boards creating increased costs to consumers;
- sites with shared fusing that require distributor involvement to isolate power;
- change of network tariff as a result of meter change; and
- difficulties with site access due to locked gates or a lack of customer response to coordinate access.

These meter replacement issues are usually more prevalent at older premises and when customers are made aware of these issues it often creates a negative sentiment towards smart meters. This is particularly the case where the customer has not requested a meter change in order to receive a new product or service. Generally Momentum believes the transition of metering responsibility has been positive for consumers which continue to retain the responsibility for assessing the risks and benefits before requesting a smart meter.

## 3. Encouraging the Adoption of Smart Metering

We note the general sentiment in the Review Paper suggesting that the transition to smart metering has been below stakeholder expectations. While we reiterate our support for the current competitive framework we provide the following suggestions that could benefit customers and ensure more smart meters are installed:

- Some customers would benefit from a smart meter that could facilitate monthly billing, pre-payment, or capacity control in order to assist them to manage their electricity consumption and reduce their electricity bills. The additional costs of these smart meters could be funded or subsidised by state or federal government programs. This would deliver more smart meters to the market with consequential benefits to this consumer group which struggle to take advantage of solar/batteries or other behind the meter technologies due to their capital costs.
- The increased costs of regional meter reading, regional network control and meter maintenance may support an increased roll out of meters in regional locations. The additional smart meter costs could be jointly funded by networks and government grants under a regional support fund. Retailers could then be allocated areas or quotas of meters to replace in the targeted regional locations.

It is suggested that further work or programs be developed to assist consumers with meter board upgrade costs, prior to any increased rollout of meters is undertaken. For instance a special fund was established in Victoria during the mandated roll out of smart meters to assist customers with these costs.

#### **4. Summary**

Momentum believes that this review is premature and too early to make any substantive assumptions about the success or otherwise of the competitive metering framework. However it does highlight the need for all stakeholders to continue to work together to solve regulatory and installation issues in order for consumers to fully realise the benefits of smart meters. Moreover these impediments need to be addressed sooner to ensure customers remain engaged and continue to receive positive experiences when they choose smart metering.

Should you require any further information regarding this submission, please don't hesitate to contact me on 0478 401 097 or email [randall.brown@momentum.com.au](mailto:randall.brown@momentum.com.au).

Yours sincerely

[Signed]

Randall Brown  
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