

13 February 2020

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Australian Energy Market Commission  
PO Box A2449  
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Submitted electronically

Dear Commissioners

### **ERC0275 – Metering Coordinator Planned Interruptions**

EnergyAustralia is one of Australia's largest energy companies with ~2.5 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market (NEM).

EnergyAustralia welcomes the opportunity to make this submission to the Australian Energy Market Commission's (AEMC) draft determination on Metering Coordinator (MC) Planned Interruptions. EnergyAustralia's main concern with the draft determination is that it is not a significant improvement on the current process, customers will experience multiple outages, the timeframes imposed are likely to reduce the coordination of retailers at single fuse sites, and the distributor's fees will be an expense that is ultimately passed through. As such, we believe the proposal is in contradiction of the National Electricity Objective (NEO) and the National Energy Retail Objective (NERO).

The AEMC draft determination focuses on one issue the initial Metering Coordinator Planned Interruptions rule change was aiming to address, delays in installation of metering resulting from shared fusing scenarios. The draft determination has not considered the other major issues resulting from shared fusing scenarios; financial impacts experienced in shared fusing scenarios (distributor fees), and the poor customer experience from multiple outages.

The NEO and NERO aim to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of customers of electricity with respect to price, quality, safety, reliability, and security of supply of energy. EnergyAustralia's concerns focus mainly on the price aspect of the NEO and NERO.

The proposed rule provides a timeframe for retailers, metering coordinators, and distributors to arrange the metering installation. The timeframes will provide some certainty to customers on when their meter will be installed. However, the timeframe will limit the capacity for other retailers/metering coordinators to arrange their metering installations at the same time. This will result in additional distributor planned interruption for these shared fusing scenarios:



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- In 2019, EnergyAustralia encountered 8,468 single isolation jobs, these were unable to be completed by the Metering Coordinator.
- NSW Local Network Service Provider's (LNSP) Supply Service Works (SSW) – Temporary Isolation Group Supply;
  - Endeavour Energy ~ \$650
  - Essential Energy ~ \$440
  - Ausgrid ~ \$700
- All NSW LNSP's SSW – Temporary Isolation Group Supply have a 15 minute window an MC must attend, if not a 'no show' or 'wasted truck visit' fee will be applied.
- In 2019, EnergyAustralia has achieved a 76% success rate when raising LNSP SSW – Temporary Isolation Group Supply.

The proposal in the draft determination would enforce a timeframe responsibility for the installation of a customer's meter at a single isolation point location on the retailer. As outlined above, EnergyAustralia has had a success rate of 76% in 2019 when a temporary isolation is requested by the distributor; this is a success rate outside the control of EnergyAustralia, as the work is conducted by a distributor and Metering Coordinator. Importantly, the success rate under the proposed rule would open EnergyAustralia to potential civil penalty for failing to complete the installation on 24% of the jobs raised.

EnergyAustralia believes that any timeframe requirement imposed on retailers, distributors, or Metering Coordinators, will result in a significant increase in costs; ultimately resulting in either direct or indirect price increases experienced by customers. Coordination of all parties has proven to be a difficult and MCs/retailers receive penalties from distributors if they are 15 minutes outside of their appointment window; minor traffic can result in a delay of this length.

If the proposed rule is accepted, retailers will incur on average ~\$600 (NSW) for each temporary isolation raised and will then be liable for any connection which is not completed within the timeframe. Outside of raising the service orders within an appropriate timeframe, there is little capacity for a retailer to achieve this. The estimated cost imposed on retailers is likely to be greater than \$5-8 million (distributor fees + potential civil penalties).

It is not in the best interest of reduced cost to serve, *price*, that distributor planned interruptions are used inefficiently. A distributor's involvement in the process is beneficial in many instances; it avoids jurisdictional issues around Metering Coordinators operating isolation devices, and provides a central point for coordinating retailer & Metering Coordinators involvement at shared fusing locations. It is inefficient if a distributor planned interruption is requested - fees incurred - and all meters/Meter Protection Devices (MPD) are not replaced/installed at the one time.

*'The Commission considers the solution proposed in the draft rule is in the best interests of all customers, not just the customer receiving the new or replacement meter, and provides important consumer protections for all impacted customers.'* The AEMC has not appreciated the inconvenience customers will experience when they encounter multiple outages resulting from metering installations at shared fusing scenarios, or the potential for additional retailer operating expense (from additional distributor charges) to be passed through to customers in increased retail rates.

EnergyAustralia believes that the rule should consider the most efficient way of addressing the three issues encountered in shared fusing scenarios; reducing timeframes for meter replacements, reducing outages experienced by customers, and limiting the costs incurred for addressing these sites. EnergyAustralia proposes preferable options:

#### Distributors proactively install Meter Protection Devices

Distributors were historically responsible for the metering installation and had installed/approved the installation of a single isolation at these sites. It is therefore reasonable to consider that distributors can be responsible for installing MPDs proactively on all shared fusing locations:

- Distributors - or Accredited Service Providers on their behalf - can conduct an outage and interact with the meter board to install an MPD.
- Distributors proactively installing MPDs will reduce outages experienced by customers, likely reducing it to a single outage.
- Distributors can coordinate the involvement from the Metering Coordinators that are required.
- Distributors would then be able to pass through the charges via their AER approved operating expense; this will be shared across their customer base and would reduce the costs potentially imposed if retailers are incurring temporary isolation fees and potential civil penalties.

#### All meters replaced or MPD installed at one time

Prior to the issues paper being released, there was extensive discussion held by the industry around the single isolation point problem. The focus of the discussions focused on how to reduce outages that customers would experience when installing meters in single isolation point locations. The draft determination has not established any requirement which will achieve this intent. The rule should require that when a single isolation point location is identified, or when work is required, that all meters are required to be replaced or MPDs to be installed during the one visit; reducing additional outages, the resulting poor customer service, and the increased costs (distributor's and other fees).

#### Metering Coordinators to conduct outages where less than six impacted sites

EnergyAustralia agrees that Metering Coordinators should not conduct outages where there are many customers impacted by a single isolation device. However, we do believe that it is efficient for Metering Coordinators to conduct outages in smaller connection scenarios; the extended timeframe and associated distributor fees being inappropriate for these scenarios. There are many single isolation point locations in which the Metering Coordinator could obtain Explicit Informed Consent and complete the required metering work in a timely and cost-effective manner.

The draft determination highlighted concerns that customers would not be protected if they were impacted by work conducted by a Metering Coordinator they had no relationship with. These concerns do not appreciate the protections offered to customers under each state's energy ombudsman scheme; with the Energy & Water Ombudsman of

South Australia, the Energy and Water Ombudsman of New South Wales, and the Energy and Water Ombudsman Queensland all offering the capacity for complaints to be raised if the complainant is directly affected *'by the provision or supply of Energy or Water Services or the manner in which the Member has carried on its business of providing Energy or Water Services'*.

In practice, a customer would raise a complaint regarding the incident, the ombudsman would then establish the responsible party. If a complaint is raised about a Metering Coordinator, this will be directed to the initiating retailer; it is the responsibility of the retailer to ensure that a Metering Coordinator acting on their behalf is conducting itself to the minimum standards they require. If a Metering Coordinator is not, this would be something a retailer addresses via their contract with the Metering Coordinator.

#### No rule change

EnergyAustralia has significant concerns regarding the negative implications of the draft determination's proposal to impose timeframes on the installation of meters in single isolation point scenarios; limiting coordination of other retailers and Metering Coordinators, resulting in multiple outages for customers, and the increase in associated distributor fees and potential civil penalties. As such, if there is no alteration to the proposed rule, that will address these concerns, EnergyAustralia believes not proceeding with the rule change is preferable.

A successful SSW - Temporary Isolation Group Supply is currently taking EnergyAustralia 22 business days to complete. We are not suggesting that the timeframe should be removed from the rule change because it is an entirely unachievable timeframe, it is because there are instances in which the installation is not achievable and that is not the fault of retailer, distributor, or Metering Coordinator.

EnergyAustralia's concern is that mandating timeframes will place an unreasonable expectation on retailers, distributors, and Metering Coordinators to achieve success within a timeframe that is not always achievable. EnergyAustralia believes this will result in these parties preferring a risk averse approach to single isolation point locations; ultimately resulting in less acceptance for coordination, and a reduction in sites being rectified during in a single visit.

If the AEMC did not elect to consider alternative approaches or make changes to the proposed rule, Energy Australia request at a minimum the exceptions provided under the Meter Installation Timeframes should apply. It is grossly unfair that a retailer would be held liable if the Metering Coordinator or distributor does not complete the work requested within the appropriate timeframe. It is also not reasonable that there are no exceptions for Metering Coordinators and distributors if they are unable to complete the installation due to something outside of their control.

The draft determination has outlined a timeframe for implementation of the proposed rule, with a commencement date proposed for 26 March 2020. EnergyAustralia does not consider this proposed date as an achievable, reasonable, or realistic date for retailers, distributors, or Metering Coordinators to make required changes to their processes and systems.

EnergyAustralia appreciates the AEMC have intended to improve the process of installing meters in single isolation point locations. As outlined in this submission we are concerned that the draft determination is not the appropriate option to achieve this outcome.

If you would like to discuss this submission, please contact me on 03 8628 1704 or [Travis.Worsteling@energyaustralia.com.au](mailto:Travis.Worsteling@energyaustralia.com.au).

Regards

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Industry Regulation Leader