



PO Box 4136
East Richmond VIC 3121
T 131 806
F 1300 661 086
W redenergy.com.au

PO Box 4136
East Richmond VIC 3121
T 1300 115 866
F 1300 136 891
W lumoenergy.com.au



13 February 2020

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted electronically

Dear Mr Pierce,

Re: Introduction of Metering Coordinator Planned Interruptions: Draft Determination

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide feedback to the Australian Energy Market Commission (the Commission) on the Draft Rule Determination: introduction of metering coordinator planned interruptions (the draft determination).

Red and Lumo welcome the more preferable rule proposed by the Commission which will “provide customers with shared fusing at their premises with greater certainty on when their electricity meter will be installed.”¹ We agree with the Commission that the rule change proposed by the chair of the Competitive Metering Industry Group (CMIG) introduces risks for customers and “that the rule proposed by the CMIG only partially solves the issue.”²

While Red and Lumo support the decision by the Commission to proceed with a more preferable rule, we believe there are some unintended consequences for consumers, namely the continual interruption to supply while all customers behind the shared fuse obtain a new meter. We consider that the Commission can overcome this through further amendments, which would not only provide a long term solution to the problems raised, it will also support the faster installation of smart meters.

We support the amendments proposed by CMIG in their submission to this rule change. Their proposal, which is consistent with what we proposed in response to the issues paper, provides better outcomes and customer experience. This submission also suggests some amendments to the draft rules when finalised by the Commission to improve the customer experience and the sharing of information between parties.

Installation timeframes

Shared fuses can impact a vast number of consumers at a property and continue to cause delays for the installation of meters. As all consumers affected by a shared fuse will already have a planned

¹ Australian Energy Market Commission, Draft Rule Determination, National Electricity Amendment (Introduction of Metering Coordinator Planned Interruptions) Rule 2020, December 2019, pg. i

² ibid pg. iii

interruption, this would provide the ideal opportunity for the proactive installation of meters at all affected properties.

The draft rule provides a 30 business day timeframe on retailers and metering coordinators to install meters for customers that are part of a shared fuse arrangement, except where an exemption is granted by AEMO. Red and Lumo support the timely installation of meters for customers, however, the timeframe proposed in the draft rule does not allow for other customers that are affected by the shared fuse to receive a meter at the same time.

The Commission also place obligations on the network to carry out the interruption of multiple shared fuse customers within 25 business days. Networks are also required to coordinate with all relevant parties to ensure that the initial retailer can meet its mandated 30 business day timeframe.

While this appears as an appropriate timeframe for the installation of a meter for a single customer impacted by a shared fuse, it doesn't provide adequate time for other retailers to take advantage of the interruption of other customers and proactively organise a meter installation. In order to attempt to achieve this, the Commission must place a clear obligation on networks to notify all affected retailers upon identification of a shared fuse arrangement. This will provide an opportunity for those retailers to proactively install meters and/or individual fusing for their customer to avoid multiple interruptions on an ongoing basis.

Currently, under rule 59A of the National Energy Retail Rules, should a retailer elect to proactively install a smart meter they are required to provide their customer two notices. The first notice between 60 and 25 business days in advance of replacing a meter, while the second notice no later than 15 business days before the meter is replaced. When the Commission introduced these rules, there was specific consideration provided that retailers could make the second notification in conjunction with the planned interruption notice specified in rule 59C(3). However, in this scenario, the network business is providing the planned interruption notice, not the retailer, therefore both notices are required to be issued by the retailer. This does not allow the retailer to streamline the process, particularly as these requirements are civil penalty provisions.

With these timeframes, it would be impossible for retailers to use the proposed distributor planned interruption notification to organise for the installation of a smart meter at all sites affected by the shared fuse. This would mean that while the initial customer would have a meter installed any subsequent customers who needed a meter exchange would be obliged to wait for another distributor planned interruption to be organised.

While Red and Lumo understand the justification the Commission has to put a timeframe on the installation of meters under this rule to avoid unnecessary consumer delays and ensure meter installations are completed the timeframe should be designed in such a way to support meter installations for multiple sites rather than just a single customer.

In order to address the above concern, and improve the overall customer experience of metering installations in shared fuse scenarios, we consider that the Commission has two options. Amendments to timing provisions or amend the rules to require the networks to rectify the shared fuse when they identify the issue.

Amendment to timing provisions

Red and Lumo support the Commission amending the timeframe obligations under retail rule 59A or increasing the timeframe under the draft electricity rules to extend the 30 business day timeframes.

We consider that initially, an extension of time under the draft electricity rules (collectively under 7.8.10) to align with rule 59A is beneficial. This will only work should the Commission also place an additional obligation on the network (acting as the initial metering coordinator) to notify all affected retailers under electricity rule 11.86.7(g)(3). We understand that this would not provide the optimum customer experience initially, we note that the Commission can revisit the timing and the obligations placed on retailers under retail rule 59A when it undertakes its review of metering contestability later this year.

Alternatively, the Commission could seek to amend retail rule 59A entirely to reduce the timeframe obligations on retailers where there is a shared fuse to support proactive meter installations, aligning it with this draft determination. This would allow retailers to take advantage of a distributor planned interruption notification and proactively organise a meter installation for consumers who share this fuse. These changes would reduce multiple visits, increase installations and support meter deployment as all consumers at the site affected by the shared fuse would have a smart meter installed and would remove the requirement for a future distributor planned interruption to have a smart meter installed.

Alternative solution: network rectification

As proposed by Red and Lumo in our submission to the Commission's issues paper, we consider that this issue is more effectively managed by requiring networks to split fuses at properties when notified of a shared fuse. Under this proposal, there will only be one interruption to all affected customers, and no need for multiple interruptions as all meters are replaced. Instead, the only responsibility on the network would be to rectify the issues at site, splitting the existing fusing when they are notified of the issue by the retailer after the MC has attended site.

We consider that should the Commission opt for this solution, once a network is aware of the shared fuses at site, it would then have a mandated 25 business days timeframe to organise to attend the site and split the fuses for each customer at the property. This does not require coordination with the affected retailer and the metering coordinator, as they will install the required meter within the already required timeframes, once the site has been rectified.

This would be a more ideal preferential rule change which could be progressed by the Commission. It would not only address the problem in the short term but would also address the issue long term lessening the burden on consumers, networks, retailers and metering coordinators in the process. This would be the most cost effective option for all participants including networks who could recover the cost in splitting the fuses as part of their standard control services. It will reduce costs in the long term, as they would not be required to coordinate and schedule multiple visits and outages. Customers will benefit most, as they will only be subject to the interruption of the shared fuse and then when they have a meter exchange. Further, subsequent consumers will be able to install a meter without waiting for multiple parties to coordinate the interruption and installation.

Amendments proposed to draft rules

The transitional provisions provided by the Commission allow for AEMO to make a decision not to amend the Metrology Procedures and Market Settlement and Transfer Solution Procedures to take into account the final rule. Red and Lumo strongly oppose the introduction of these two rules (namely, 11.XXX.2(b) and 11.XXX.3(b)). We encourage the Commission to remove these two rules from the final transitional amendments, as AEMO **must** undertake consultation regarding the implementation of an industry-wide solution for the ongoing management of shared fuse arrangements. Furthermore, we recommend that the timing of the commencement of these rules is reconsidered on that basis.

The Commission has proposed an amendment to rule 11.86.7(g)(3) for the initial metering coordinator (network) to promptly notify the retailer of a meter installation malfunction, and information that the meter requires interrupting supply to another customer. This amendment does not go far enough. Red and Lumo consider that there must be a clear obligation placed on the initial metering coordinator under rule 11.86.7(g) to notify **all** affected financially responsible market participants (retailers), not just the retailer that has a metering installation malfunction. Red and Lumo propose that an additional transitional amendment is made on the Information Exchange Committee to review and (potential) amend the B2B Procedures in order to effect communication of this additional notification requirement.

Finally, Red and Lumo question whether the amendments to electricity rule 7.8.10A(c) are required, as any new new connections will not include a shared fuse arrangement. We consider that this is a legacy issue, and current wiring rules and industry best practice dictate that this should not occur going forward.

About Red and Lumo

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria, New South Wales, Queensland and South Australia and electricity in the ACT to over 1 million customers.

Red and Lumo thank the Commission for the opportunity to respond to its draft determination. Should you wish to discuss aspects or have any further enquiries regarding this submission, please call Stephen White, Regulatory Manager on 0404 819 143.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ramy Soussou". The signature is stylized with loops and a long horizontal stroke at the end.

Ramy Soussou
General Manager Regulatory Affairs & Stakeholder Relations
Red Energy Pty Ltd
Lumo Energy (Australia) Pty Ltd