



D18073100

21 June 2018

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

Dear Mr Pierce,

RE: ERC0241 – NATIONAL ELECTRICITY AMENDMENT (ESTIMATED METER READS) RULE 2018, NATIONAL GAS AMENDMENT (ESTIMATED METER READS) RULE 2018, NATIONAL ENERGY RETAIL AMENDMENT (ESTIMATED METER READS) RULE 2018

The Energy and Technical Regulation Division (Division) of the Department of the Premier and the Cabinet thank you for the opportunity to make a submission on the *National Electricity Amendment (Estimated meter reads) Rule 2018, National Gas Amendment (Estimated meter reads) Rule 2018, National Energy Retail Amendment (Estimated meter reads) Rule 2018* consultation that was issued on 17 May 2018 (ERC0241).

In South Australia, billing disputes, and the impact of 'bill shock', were the most prominent type of issue and complaint reported in South Australia between 2016-17, as highlighted in the Energy and Water Ombudsman of South Australia's (EWOSA's) 2016-17 Annual Report.

The Division notes that the uptake of more advanced (smart-capable) electricity meters will enable retailers (or their Metering Data Providers (MDPs)) to remotely read meter usage, as per the minimum functional specifications required within the National Electricity Market (NEM). Whilst more advanced electricity meters are beginning to be installed, there will be long-term instances when an estimated read will still be required and a self-read submitted by a small customer is likely to be beneficial. Equally, as no smart gas meters are required within the national energy frameworks, a small customer will still wish to submit a self-read for their estimated gas bill.

To further assist small customers in addressing these issues, the South Australian Government supports amendments to the rules that can assist consumers to better manage their cost of energy, for example, by avoiding 'bill shock' resulting from estimated meter reads. Enabling small customers to submit their own self-meter reads, and requiring retailers to accept them as the basis for an estimated meter

read, is one such tool that will assist small customers by reducing billing disputes and the financial impact that 'bill shock' brings.

As a result, the Division supports the requirement of meter self-reads submitted by small customers, as the basis of an estimated bill provided by retailers.

The Division considers that the method by which a customer submits their own meter reading should be broad and technology neutral, noting that some small customers may not have readily available access to the internet. The AEMC should ensure that all small customers, particularly vulnerable customers, are not marginalised and excluded from receiving the benefits of self-meter reads that this package of rule changes aims to achieve.

In addition, the Division recognises that some retailers already cater for monthly, or quarterly, meter self-reads. These include (but are not limited to) AGL¹ and EnergyAustralia². As the capability already exists within the market, the Division considers that process-related changes for retailers should be minimal, as well as the costs for implementing these changes. The opportunity for small customers and retailers to further engage and interact with one-another will assist in reducing the likelihood of billing-related issues, further contributing to a reduction in the numbers of complaints recorded within South Australia.

The Division considers that this amendment will result in small customers receiving more accurate, estimated energy bills which reduce financial 'bill shock'. Beyond this, small customers may begin to become further engaged with their energy consumption and usage, and begin to make changes to their energy behaviours which can be tracked over the course of several months through customer provided self-reads.

The AEMC should consider whether, at a minimum, retailers should provide literature and other supportive information to their small customers to ensure they have sufficient knowledge and capability to submit self-meter reads. Innovative, competitive retailers may then choose to go further than this by providing additional information to their small customers on energy efficiency activities. Overall, providing opportunities and information to small customers will enable them to make more informed choices on how they consume energy.

As highlighted by the AEMC in their consultation paper, this package of rule changes should be widened to consider all types of 'behind the meter' Distributed Energy Resources (DER). Findings from the latest Energy Consumer Sentiment Survey (December 2017)³ have indicated strong interest from consumers in other DER-related systems and technology above and beyond solar photovoltaic (PV) systems installed within small customer premises, including battery storage systems. This strong interest is indicated by consumers willing to install DER-related systems and technology within the next 12 months or beyond. As a result, we agree with the AEMC's identification that customer self-reads will likely consider the effect of DER-related systems and technology installed within a small customer's premise. Therefore, the requirement for retailers to use customer provided meter reads as the basis for an estimated bill should address Dr Dodt's rule change proposal.

¹ <https://www.agl.com.au/help/payments-billing/monthly-billing>

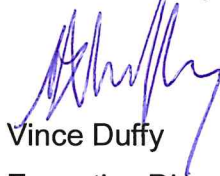
² <https://www.energyaustralia.com.au/home/bills-and-accounts/understand-your-meter/submit-meter-reading>

³ Energy Consumer Sentiment Survey Findings: December 2017 – Energy Consumers Australia

Finally, and as noted above, the Division considers that in some circumstances, estimated billing will still be required, therefore the proposal to remove estimated reads as an option for retailers and increasing the frequency of actual meter-reads is unlikely to be practical. Requiring retailers to accept self-read meter submissions and improving estimates where there are new DER-related systems and technology installations, should go some way to addressing the concerns related to more accurate estimated bills. Retailers would be able to use the actual meter-read undertaken at least annually to determine the accuracy of self-reads submitted from a customer during that year and, if discrepancies are found, recover and/or reimburse small customers who have been over- or undercharged for their energy usage.

Thank you for accepting our submission. Should you wish to discuss this further, please contact Ms Rebecca Knights, Director – Energy and Technical Regulation Division, on (08 8226 5500).

Yours sincerely,



Vince Duffy

Executive Director, Energy and Technical Regulation

21 June 2018

