AEMC

RULE

Australian Energy Market Commission

DRAFT RULE DETERMINATION

NATIONAL ELECTRICITY AMENDMENT (METERING INSTALLATION TIMEFRAMES) RULE 2018

NATIONAL ENERGY RETAIL AMENDMENT (METERING INSTALLATION TIMEFRAMES) RULE 2018

PROPONENTS

The Australian Government
Australian Energy Council

13 SEPTEMBER 2018

INQUIRIES

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ABOUT THE AEMC

The AEMC reports to the Council of Australian Governments (COAG) through the COAG Energy Council. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the COAG Energy Council.

SUMMARY

1 The Australian Energy Market Commission (Commission) has made a more preferable draft rule (draft rule) that amends the National Electricity Rules (NER) and National Energy Retail Rules (NERR) to provide customers with greater control and confidence over when their electricity meter will be installed.

2 Under the draft rule, retailers will be required to provide a meter installation for a new connection or a simple meter exchange on a date agreed with the customer. If no date can be agreed, then the retailer will be subject to a maximum timeframe of six business days for a new connection or 15 business days for a simple meter exchange.

3 For meter exchanges that also require a connection alteration, the retailer will be required to provide a metering installation on a date agreed with the customer and the distribution network service provider (DNSP). This is because, in the majority of cases, the connection services must be completed at the same time as the meter installation. If no date is agreed, the draft rule imposes an installation timeframe of 15 business days on the retailer and specifies that the DNSP and retailer must coordinate to allow the retailer to meet its timeframe obligations.[1]

4 The draft rule also includes a range of additional measures that will assist in reducing meter installation delays and will increase consumer confidence in the industry. These measures include:

- obligations on the retailer to inform small customers of the meter installation timeframes for customer initiated works
- a recommendation to the COAG Energy Council to extend the current civil penalty provisions on timeframes for malfunctioning meters to the new timeframes for other types of metering arrangements
- providing more flexible notification requirements for retailer planned interruptions of electricity supply
- a recommendation to AEMO that they streamline the appointment process for metering parties in certain circumstances.

5 In addition, the draft rule harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with those for customer initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires coordination between several parties.

6 The draft rule was made in relation to two rule change requests submitted by two separate rule proponents that were consolidated under the National Energy Retail Law (NERL) and the National Electricity Law (NEL). The requests, which were submitted by the Australian Government[2] and the Australian Energy Council, primarily relate to delays in the installation

1 The draft rule additionally specifies how the retailer and DNSP must communicate with each other.

2 This rule change request was submitted by Hon Josh Frydenberg MP, then Minister for the Environment and Energy, now Treasurer, on behalf of the Australian Government.

of advanced meters for electricity supply.

Importance of metering contestability

7 Over 500,000 small electricity customers outside of Victoria now have advanced meters. The rollout of advanced meters is progressing faster than expected, particularly in South Australia where almost ten percent of small customers now have an advanced meter. Customers that have received advanced meters have not only received a meter that can support more services than under the previous regulated approach to metering, but they have also generally done so at no upfront cost.

8 Advanced meters are a key foundation for the transformation of the energy market. They enable customers to better understand and control their electricity use and costs, and enable them to access new services. They are also a pre-requisite for the implementation of cost-reflective tariffs, which will deliver significant savings in network costs and average prices for consumers.

9 A result of the metering contestability reforms is that the rollout of advanced meters is being driven by consumer choice, rather than regulation. As anticipated, most advanced meter installation requests are coming from customers directly; rather than as a result of retailers choosing to undertake advanced meter deployments.

10 There is a risk that poor customer experiences in the early stages of the new contestable metering market have the potential to undermine confidence in this important reform. As discussed below, in situations where consumers have requested the installation of an advanced meter, delays in installations can cause significant harm to consumers and may reduce the likelihood that they participate in new products and services that could reduce their energy costs or usage.

Case for change

11 The Commission acknowledges that delays in the installation of meters can have a severe impact on small customers. This harm may result from:

- **No access to electricity:** When a meter installation is delayed at a new connection, the customer is unable to access electricity and will likely be unable to occupy the premises for the period of the delay.
- **Poor customer experience:** When a meter replacement is delayed, the customer may be unable to access new products and services until the upgrade is complete. This can result in poor customer experience and may result in fewer customers requesting an advanced meter.
- **Financial hardship:** Meter installation delays at a new connection can have a significant financial impact on the customer; for example, they may need to pay for alternative accommodation or forgo rental income from the property. Where the new meter is enabling a service that allows the customer to reduce their energy bills, installation delays may also result in higher bills than necessary.

12 The amount, and severity, of cases where small customers have experienced meter installation delays since 1 December 2017 is of serious concern to the Commission. That

customers continue to experience issues obtaining a new or replacement meter more than eight months after the implementation of the metering contestability rule is a signal that the situation is not able to be resolved by industry action alone and that regulatory changes are needed.

Actions taken to resolve delays

13 The Commission has been working closely, alongside other regulatory bodies such as the Australian Energy Regulator (AER) and the Australian Energy Market Operator (AEMO), to resolve issues related to meter installation delays. This work has been conducted in parallel to the rule change process, so that outcomes for customers can be improved before the proposed rule commences.

14 While the issue of meter installation delays is nationwide, a pronounced lack of coordination between the parties now responsible for connection and metering services in South Australia has led to particularly severe cases of delays in that state. In limited cases, customers have been left without electricity supply for an extended period.

15 To resolve this issue, the Commission, the Essential Services Commission of South Australia (ESCOSA), the AER and AEMO have been holding regular workshops with retailers, metering businesses, South Australia Power Networks (SAPN), the Energy and Water Ombudsman of South Australia (EWOSA) and industry groups representing electrical and building contractors to identify solutions that can be implemented while the rule change process is in progress. The workshops have led to some improvements in meter installation timeframes and reduced the instances of customers being left without electricity supply as a result of metering related works.

16 However, the Commission agrees with the rule change proponents that further regulatory changes are needed to address the widespread delays for meter installations.

Installing or replacing electricity meters

17 The different scenarios for installing or replacing a meter can broadly be grouped into three categories:

1. **Customer initiated installations:** These include installations for new connections, as well as when an existing meter is exchanged at a customer's request.
2. **Replacement of malfunctioning meters**: These include both when a single meter needs to be replaced due to one-off conditions such as weather damage or a production fault, as well as when a whole fleet of meters needs to be replaced because it has failed meter testing.
3. **Retailer led installations:** Under the NER, retailers can choose to deploy a fleet of new meters to customers in order to benefit from the functions provided by the technology, such as remote meter reading.

18 There are currently few requirements regarding the timeframes in which electricity meters must be installed. Where a customer or retailer has initiated the meter installation, the NER does not specify a maximum time in which the meter must be installed. The notable exception is that the NER does have a maximum timeframe for metering coordinators to

rectify malfunctioning meters.

19 Prior to the introduction of the *Competition in metering* rule, there were some requirements on distributors to complete metering work within a certain timeframe as part of a small customer's connection process. These requirements varied by jurisdiction, for example:

- In Victoria, the DNSP used its best endeavours to connect new supply on the date agreed with the customer, or otherwise within ten business days of the customer's request.
- In South Australia, the DNSP used its best endeavours to connect new supply on a date agreed with the customer, or otherwise within six business days of the customer meeting certain preconditions.
- In Queensland, the DNSP completed connection services within a number of set timeframes which varied in length from 5 business days to 30 business days based on the type of metering work. The metering related works subject to these timeframes included new connections, reconnections, disconnections and alterations.

20 The other jurisdictions in the National Electricity Market (NEM) did not impose connection timeframes, including for metering related works, on distributors.

Timeframes for customer initiated meter installations

21 The Commission considers that there are significant benefits to imposing a nationally consistent and firm set of installation timeframes into the NER for cases where a small customer[3] has requested a meter, including new and replacement situations. These include:

- increasing certainty for customers about when they can expect their meter to be installed
- setting an expectation for retailers, metering parties and DNSPs as to the minimum level of service required by customers, with penalties to promote compliance with the rules
- allowing customers to access the benefits of advanced meters on demand, including new products and services and, in some cases, lower energy bills.

22 The draft rule therefore includes both the flexibility for retailers and customers to agree on a time for a meter installation, as well as requirements on retailers to meet a maximum timeframe for the provision of a meter installation in cases where a small customer has initiated the request for a new meter and has not agreed to a date. We consider that these requirements consitute a clearer, more consistent and firm set of expectations for retailers to deliver metering services to customers in the NEM.

23 The requirements differ slightly depending on whether the meter installation is for a new connection, a simple meter exchange or a complex meter exchange. This is because the installation steps are different for each scenario, including the number of parties involved in the installation process.

Timeframes for new connections requested by small customers

24 A new connection refers to a situation where electricity supply is being connected to a

3 Small customer is defined under the NEL but varies by state. It means a customer with an annual electricity consumption level less than 100MWh (QLD and NSW); 150 MWh (ACT); and 160 MWh (SA).

premises or site where none existed before. In practice, new connections are most often new builds that have just been completed. They may be at a single occupancy dwelling, such as a standalone house, or a multiple occupancy dwelling, such as an apartment building.

25 Under the draft rule, retailers will be required to provide a metering installation for a new connection on a date agreed with the small customer. If no date is agreed, then the retailer must install the meter within six business days of being informed that any requisite connection services are complete. In most cases, this notification will be from the DNSP, with the retailer notified via AEMO's B2B e-hub or another agreed method[4].

Timeframes for simple meter exchanges requested by small customers

26 A simple meter exchange refers to a situation where an existing electricity meter is being replaced with a new meter and a connection alteration is not required. In practice, this often occurs when a customer has requested a new electricity product or service that requires their existing accumulation or manually read interval meter to be replaced with an advanced meter. For example, the installation of a small rooftop solar panel may require a simple meter exchange at the small customer's premises.

27 In cases where a simple meter exchange has been requested, the draft rule requires retailers to install the meter on a date agreed with the small customer. If no date is agreed, then the retailer must install the meter within 15 business days of having received a formal request from an existing small customer to exchange the meter. The Commission considers that a timeframe of 15 business days is appropriate, given that there are more installation steps once the timeframe has commenced than for new connections. The existing meter will continue to function and support electricity supply for the small customer in the interim.

28 To assist retailers in meeting a maximum timeframe of 15 business days, the draft rule provides more flexibility for retailers to notify customers of a planned interruption. Under the draft rule, the retailer may engage with the small customer in the first instance to find a suitable time for the meter installation. If the retailer is unable to contact the customer, then it will need to provide a minimum of four business days' notice to the customer of a planned interruption.

Timeframes for complex meter exchanges requested by small customers

29 A complex meter exchange refers to a situation where an existing electricity meter is being replaced with a new meter, and a connection alteration is also required. In practice, this often occurs when a customer requires an advanced meter as well as an upgrade to the capacity of their electricity supply to enable a new product or service. For example, a customer may have bought an electric vehicle or a large air conditioner that requires three phase electricity supply.

30 For more complex meter exchanges that also require a connection alteration, the draft rule imposes the installation timeframe on the retailer and specifies that the DNSP must coordinate the connection alteration with the retailer in order to allow the retailer to meet its

4 The draft rule specifies that retailers and distribution network service providers must use AEMO's B2B e-hub to coordinate the installation of a small customer's meter unless another method has been agreed.

timeframe obligations.[5] This is because, in the majority of cases, the connection services must be completed at the same time as the meter installation. In most jurisdictions, the DNSP is the only party that can complete connection services.[6]

31 Under the draft rule, the retailer will be required to provide a metering installation for a more complex meter exchange on a date agreed with the small customer and the DNSP. If no date is agreed, then the retailer must install the meter within 15 business days of having received a formal request from an existing small customer to exchange the meter.

Compliance and enforcement on timeframes for meter installations requested by small customers

32 The draft rule applies a firm requirement on the retailer to meet the installation timeframe where an alternative date has not been agreed with the customer. The Commission considers that the draft rule should improve consumers' confidence in the meter installation process and agrees with the AER that a firm requirement would support the enforcement of the new obligations.

33 The Commission notes that there will be some circumstances where it is more difficult for retailers and metering parties to install a meter than others and the maximum timeframe cannot be met. For example, the meter may be at a multi-occupancy site (where an interruption to the power supply would affect a number of third party customers)[7] or connection services to a premises may not be complete.

34 Where the retailer encounters these limited situations, the draft rule provides an exception to the meter installation timeframe. In these cases, the retailer should provide assistance to the small customer to resolve the issue, for example, by explaining why the installation cannot proceed and what the customer may need to do. Once the issue causing the exception has been resolved, the time for the installation will be (as applicable) on a new date as agreed with the customer or the timeframe will restart from the beginning.

Timeframes for rectifying a malfunctioning meter

35 The draft rule harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with those for customer initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires coordination between several parties.

36 Under the draft rule, metering coordinators must replace or repair a small customer's malfunctioning meter as soon as practicable, but no later than 15 business days after they have been notified of the meter installation malfunction.

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5 Where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, there will not be an explicit requirement for the retailer and agent to coordinate. This is because the party providing connection services can negotiate with the retailer on behalf of the customer regarding a more suitable installation date, if required.

6 Under clause 5A.A.1 of the NER, 'connection services' includes either (1) a service relating to a new connection for a premises; or (2) a service relating to a connection alteration for a premises. It does not include providing, installing or maintaining a metering installation at a premises.

7 The Commission is aware that industry, including retailers and metering parties, are collaborating with each other to develop a standard practice for cases where metering related works necessitate an interruption to the supply of third party customers, such as in multi-occupancies.

37 The Commission understands that, since the introduction of metering contestability, AEMO has granted a number of exemptions to metering coordinators seeking to extend the timeframe in which to replace a malfunctioning meter. The new obligations recognise that meter installations can take longer than 10 business days, given the need for coordination between multiple parties.

38 It is important to note that malfunctioning meters do not generally result in customers losing their electricity supply. In rare cases where a customer has experienced a loss of electricity as a result of a faulty meter, then the meter can be bridged[8] by the local DNSP to maintain supply until it is repaired or replaced.

Additional measures to reduce meter installation delays

39 The draft rule also includes other measures to reduce meter installation delays and increase consumer confidence in the industry. These include imposing new obligations on retailers to inform small customers of the meter installation timeframes for customer initiated works, as well as a recommendation to the COAG Energy Council to extend the current civil penalty provisions on timeframes for malfunctioning meters to other types of meter installation arrangements.

40 The draft rule contains additional measures to streamline the installation process, which should make it easier for retailers to install meters more quickly and efficiently. In its submission to the consultation paper, AEMO advised that it could streamline the appointment process for metering parties in certain circumstances. In particular, it considered that the objection period for metering role changes should be reduced to zero days in cases where an existing accumulation or manually read interval meter needs to be replaced with an advanced meter. The Commission agrees with this recommendation, on the basis that it should assist in reducing the time it takes to install a meter.

Rules not made

41 The Commission has decided against adopting the following proposals suggested by the AEC in its rule change request:

- removing the requirement for retailers to provide planned interruption notices to large customers
- removing the requirement for retailers to provide a 24 hour phone number for customer inquiries about retailer planned interruptions
- allowing customers to opt out of the notifications required under the NERR for new meter deployments.

42 Instead, the draft rule extends to large customers the same ability to agree with a retailer on a date for a planned interruption notice, even if this date provides the customer with less than four business days' notice that a planned outage for metering related works will occur. The Commission considers the draft rule would provide increased flexibility for both retailers and large customers while maintaining an appropriate level of consumer protection.

8 'Bridging' or 'bridging out' refers to arranging a temporary bypassing of the meter, with supply remaining unaffected.

43 In addition, the draft rule requires retailers to provide a 24 hour telephone contact number for all enquiries related to retailer planned interruptions if the retailer has not obtained the customer's consent for the interruption to occur on a specified date.[9] There is no provision in the NERR preventing retailer planned interruptions from occurring outside of business hours and the Commission is aware of a small number of cases where customers have been left without supply during a meter installation due to unexpected complications. The Commission is of the view that there is a risk that, if this proposal was adopted, then a small customer may not have a method to reach the retailer during a planned interruption outside of business hours.

44 Under the draft rule, retailers will continue to be required to provide two opt out notifications of a new meter deployment to small customers.[10] The current process is an important consumer protection under the *Competition in metering* rule and was designed to provide customers with information on issues such as charges and the timing of the meter deployment. The Commission considers these are important customer protections that should be retained.

Implementation

45 The Commission proposes a commencement date of 1 January 2019 for the changes to Chapter 7 of the NER and new clause 56C of the NERR, which are related to metering installation timeframes. This would be approximately one month after the publication date for the final rule and determination.

46 The provisions related to retailer planned interruption notifications are proposed to commence on 6 December 2018.

47 The Commission is cognisant that the new obligations proposed on retailers and distributors under the draft rule (if made) may necessitate changes to their systems, processes and contractual relationships with other parties. However, those concerns need to be balanced against the costs of delaying implementation, including the substantial benefits to consumers that may arise from the draft rule. Taking these factors into account, the Commission considered that a commencement date of 1 January 2019 for the metering installation timeframes is preferable.

48 The Commission has proposed that the provisions relating to retailer planned interruption notifications commence at the time of publication for the final rule and determination. These amendments are to provide retailers with the flexibility to conduct planned interruptions at shorter notice, as long as the customer consents. We are of the view that these changes should commence at the earliest possible convenience, noting that the amendments would provide customers with greater flexibility and control over the timing of planned interruptions, and may reduce instances of meter installation delays.

9 Retailers will be required to provide life support customers with a 24 hour telephone contact number in all circumstances.

10 Unless a customer has waived their right to opt out of notifications under the terms of their market contract.

Consultation on draft determination

49 The Commission invites submissions on this draft more preferable rule and draft rule determination by **25 October 2018**. There will be limited capacity to accommodate late submissions.

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1 RULE CHANGE REQUESTS

1.1 The rule change requests

The Commission received the following rule change requests:

- On 5 March 2018, the Australian Government[11] submitted a rule change request that would impose obligations on electricity retailers to install a meter within a specified timeframe.
- On 5 May 2018, the Australian Energy Council (AEC) submitted a rule change request to:
  - extend the timeframes in which faulty electricity meters must be replaced
  - allow customers to opt out of the written notification requirements involved in a retailer led deployment of advanced meters
  - address several issues related to planned interruption notices.[12]

These rule change requests seek changes to the National Electricity Rules (NER) and the National Energy Retail Rules (NERR) to address delays in the installation of advanced meters, which many small customers have been experiencing since 1 December 2017. The Commission has consolidated the rule change requests in order to streamline the consultation process for stakeholders.

1.2 Current arrangements

On 1 December 2017, new rules commenced that introduced a competitive framework for metering services. The *Expanding competition in metering and related services* (*Competition in metering*)[13] final rule sought to facilitate a market-led deployment of advanced meters. Consumers would be able to drive the uptake of advanced meters, and innovation, through their choice of new products and services.

The rule also allowed other participants such as retailers to roll out advanced meters where they foresaw benefits from the services provided, such as remote meter reading.

1.2.1 Types of electricity meters

Different meter types measure usage in different ways. For electricity, there are seven different types of metering services classified under the NER.

Large customers have advanced meters that are capable of capturing large volumes of electricity flow.[14] Some large customers have current transformer (CT) meters, which

11 This rule change request was submitted by Hon Josh Frydenberg MP, then Minister for the Environment and Energy, now Treasurer, on behalf of the Australian Government.

12 Including allowing electricity retailers to give customers less than four business days' notice of a planned outage, where the customer agrees; removing the application of the planned interruption notification obligations on retailers for large customers; and only requiring the retailer to provide a telephone number for enquiries regarding planned interruption notices during business hours instead of a 24 hour telephone line.

13 AEMC, *Expanding competition in metering and related services*, Rule Determination, 26 November 2015, Sydney

14 That is, type 1, 2, 3 or 4 metering installations. These are metering installations that allow electricity flows above 0.75 GWh per annum.

measure a fraction of the current passing through the connection, with a multiplier applied to reflect the actual usage.

Small customers generally have accumulation meters[15], manually read interval meters[16], or advanced meters[17].

Accumulation meters

Most small customers in the National Electricity Market (NEM) currently have an accumulation meter, which performs basic metering functions and must be read manually. These meters record the total amount of energy used since the meter was installed, with customers billed based on the difference between reads. As a consequence, customers are often on a simple tariff such as flat rate for electricity, and have limited ability to understand or manage their energy usage to reduce their electricity bills.

Interval meters

Manually read interval meters (MRIM) are also common for small customers in some distribution networks.[18] These meters take measurements of how electricity is used in each 30-minute interval. Interval meters can support some services for customers, such as different tariff arrangements, but many do not have communications functionality to be remotely read and controlled. Therefore, there is limited ability for customers with MRIMs to understand and manage their electricity usage in real time.

Advanced meters

Advanced or smart meters are interval meters that are able to provide a minimum set of services, such as remote meter reading. From 1 December 2017, all new meter installations and replacement meters must be an advanced meter that is capable of providing a set of minimum services.[19]

In some circumstances, the *Competition in metering* rule change provides that a type 4A meter can be installed.[20] A type 4A meter has the same features of an advanced meter except that it has its communications functionality disabled.

1.2.2 Consumer benefits of advanced meters

Advanced meters are a key foundation for the transformation of the energy market. They enable customers to better understand and control their electricity use and costs, and enable them to access new services. They are also a pre-requisite for the implementation of cost-reflective tariffs, which will deliver savings in network costs and average prices for consumers.

15 These are also called 'type 6' meters.

16 These are also called 'type 5' meters.

17 These are also called 'type 4' meters.

18 In Victoria, type 5 interval meters can often be remotely read.

19 The required minimum services specification for advanced metering installations is set out in Schedule 7.5 of the NER and includes: remote disconnection; remote reconnection; remote on-demand meter read; remote scheduled meter read; metering installation inquiry; and advanced meter reconfiguration, services.

20 For example, this can occur where the customer has refused to have a communications-enabled meter installed or the meter would be located in a region where there is no communications network (Clause 7.8.4 of the NER)

Advanced meters are expected to provide consumers with the following benefits:

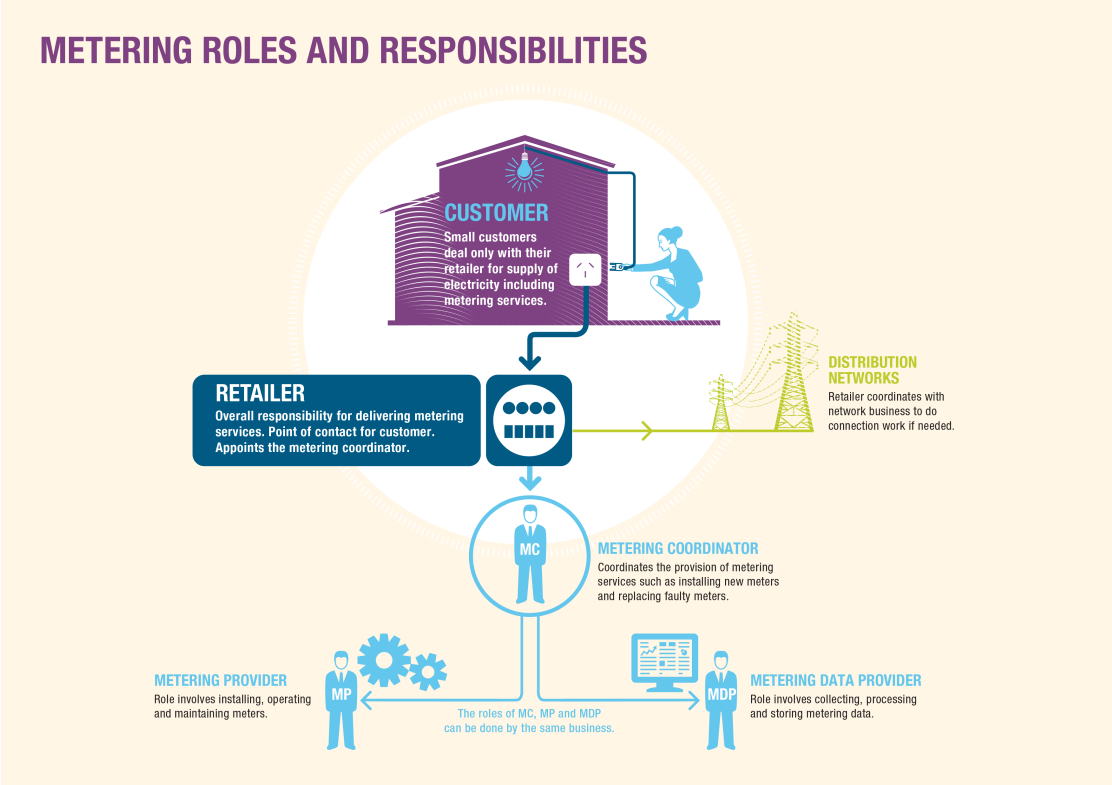
- **Better information:** advanced meters can provide more granular information and price signals to better enable customers to make decisions about how and when to use electricity, and allow them to change their behaviour to lower costs. Customers could use a third party service such as an app or in-home display to see real-time information about their electricity usage.
- **Cost reflective pricing:** advanced meters can support different tariff structures. In addition to a flat tariff structure, customers may be able to choose from time-of-use or demand pricing structures or various forms of rebates to enable the customer to reduce their bill by moving electricity usage to off peak times. This can also help DNSPs defer expensive augmentations to their network that are otherwise necessary to accommodate peak demand.
- **New products and services:** the *Competition in metering* rule supports the development of a market for new innovative products and services. One example is an in-house display that uses the live consumption data from the advanced meter to provide consumers with detailed analytics about the appliance usage and associated costs. Another example is a demand response product that enables a third party to control certain parts of the customer's load (such as an air conditioner or pool pump) in return for an incentive.
- **Better retail service:** retailers are expected to offer more innovative pricing, product and service options for consumers. Advanced meters will also enable retailers to disconnect and reconnect their customers quickly, for example when they move house. The ability to remotely read meters will also facilitate quicker customer transfers, as well as giving customers more possibilities to reduce bill shock, for example through monthly billing arrangements if agreed to by the customer.
- **Better network service:** the information provided by advanced meters can give DNSPs a better picture of electricity consumption patterns and enable them to make more efficient network investment decisions. Also as mentioned above, demand management and other products may be able to help reduce peak demand and defer or avoid expensive network augmentations. This would benefit all consumers through lower network costs.

1.2.3 Metering roles and responsibilities

Prior to the commencement of the *Competition in metering* rule, the DNSP was responsible for the provision, installation and maintenance of a small customer's meter, as well as the collection and delivery of metering data.

In making the *Competition in metering* rule, the Commission considered that the metering services can be more effectively provided by entities that are operating competitively with each other. The rule therefore ended the effective monopoly of DNSPs over the provision of metering services for small customers by allowing any party that meets certain registration requirements to provide those metering services. This was achieved by transferring responsibilities for metering services to the 'metering coordinator'.

Figure 1.1: Metering roles and responsibilities



Retailer

Under the NER, retailers are responsible for arranging metering services for small customers.[21] Retailers must appoint a metering coordinator for each of their small customer's connection points[22] and obtain a national metering identifier (NMI) for each meter.[23] In general, the retailer provides instructions to the metering coordinator for any metering work needed by the customer.

Metering coordinator, metering provider and metering data provider

The metering coordinator has overall responsibility for all issues related to the metering installations for which it has been appointed. The metering coordinator appoints a metering provider for each connection point to provide, install and maintain the meter installation.[24] The metering coordinator also appoints a metering data provider who is responsible for the collection and processing of metering data.

21 This is part of their responsibility as the financially responsible market participant (FRMP).

22 Clause 7.2.1(a) of the NER. Under clause 7.6.2(a)(3) a large customer may appoint its own metering coordinator.

23 Clause 7.8.2(c)(1) of the NER. This involves applying to the distributor for a NMI and providing it to the metering coordinator within five business days of receiving it.

24 Clauses 7.3.2(a) and 7.8.1(c) of the NER.

Any person can perform one or more of these three metering roles provided that they are registered and accredited by AEMO for the relevant roles. In practice, most metering coordinator businesses are also registered and accredited as metering providers and metering data providers. Under current AEMO procedures, these roles are appointed sequentially and the Market Settlements and Transfer Solutions (MSATS) contains mandatory objection periods of one day whenever a change request is initiated.[25]

Distribution network service provider

As mentioned above, the DNSP's previous roles of providing metering services for small customers are now carried out by the metering coordinator. However, as a transitional arrangement the distribution network service provider is the metering coordinator (and metering provider) for existing manually read meter installations, until the meter is replaced and the retailer appoints a new metering coordinator and metering provider.[26]

The distribution network service provider is also responsible for the connection process for customers. While the installation of a meter is a necessary part of the connection process[27], it is no longer carried out by, or the responsibility of, DNSPs. The connection process for small customers is set out in Chapter 5A of the NER and does not impose any requirements for the timeframes involved in completing the physical work needed for a new connection.

Some jurisdictions impose customer service standards on electricity DNSPs that include timeframes for connection services. For example:

- In Victoria, the distribution network service provider must use its best endeavours to connect new supply on the date agreed with the customer, or otherwise must connect supply within ten business days of the request.[28]
- In South Australia, the distribution network service provider must use its best endeavours to connect new supply on a date agreed with the customer, or otherwise within six business days of the customer meeting the necessary preconditions.[29]
- In Queensland, the distribution network service provider must complete connection services within a number of set timeframes which vary in length from 5 business days to 30 business days based on the type of connection work. The connection works subject to these timeframes include new connections, reconnections, disconnections and alterations.[30]

1.2.4 Installing or replacing electricity meters

The different scenarios for installing or replacing a meter can broadly be grouped into three categories:

25 Objection logging periods for changing these roles are listed in AEMO's MSATS Procedures.

26 Clause 11.86.7 of the NER.

27 Providing, installing or maintaining a metering installation for premises is specifically excluded in the definition of connection service in clause 5A.A.1 of the NER.

28 Essential Services Commission Victoria, *Electricity Distribution Code*, Version 9 December 2015, section 2.2.

29 Essential Services Commission South Australia, *Electricity Distribution Code*, Version 12.1 January 2018, section 2.3.1(b). The necessary preconditions are not defined in the Code.

30 Queensland Government, *Electricity Distribution Network Code*, Version 2 January 2018, section 3.7.

1. **Customer initiated installations:** These include meter installations for new connections, as well as exchanging an existing meter. Some meter exchanges require an upgrade to the customer's connection[31], while others do not.
2. **Replacement of malfunctioning meters**: These include:
   - the requirement to repair a single meter due to one-off conditions such as weather damage or a production fault, or
   - 'family failures' that result from a type of meter showing an unacceptably high failure rate during meter testing, leading to the whole fleet of meters needing to be replaced.
3. **Retailer led installations:** Under the NER, retailers can choose to deploy a fleet of new meters (a 'new meter deployment') to its customers, in order to benefit from the functions provided by the technology, such as remote meter reading.

The NER specifies that the metering coordinator must arrange for a small customer's faulty meter to be repaired within ten business days of being notified of the malfunction.[32] For large customers, the metering coordinator must arrange for the faulty meter to be repaired within two business days of being notified of malfunction.[33] These scenarios are discussed in more detail in Chapter 5.

While there are timeframes in the NER regarding the replacement for malfunctioning meters, there are no requirements regarding timeframes to install meters for new connections, meter exchanges or retailer-initiated installations.

Business-to-business (B2B) e-hub

AEMO's B2B e-hub supports and facilitates communications between different parties involved in providing services which involve metering. AEMO, DNSPs, retailers, market customers, metering providers and metering data providers are required to comply with B2B procedures.

The most recent reform of the B2B framework was designed to commence in alignment with the *Competition in metering* rule and provides an agreed set of communications to facilitate the provision of metering services for small customers.[34] It also allows parties to agree to use an alternative communication method. It is the Commission's understanding that most metering parties have chosen to utilise B2B communication to facilitate meter installations.

Accredited Service Provider Scheme

Prior to the *Competition in metering* reforms, electricians in New South Wales could become accredited service providers (ASPs) under a New South Wales' Government scheme. This

31 For example, where a customer installs a power-intensive device such as a large air conditioner and requires a three-phase electricity connection.

32 Clause 7.8.10(a)(2) of the NER (This clause is classified as a civil penalty provision). Another timeframe imposed, although not impacting the installation timeframes, is that the metering coordinator must provide AEMO with the details of the metering installation within ten business days of receiving the NMI from the retailer. See clause 7.8.2(e) of the NER.

33 Clause 7.8.10(a)(1) of the NER (this clause is classified as a civil penalty provision).

34 AEMC Final Rule Determination, *National Electricity Amendment (Updating the electricity B2B framework) Rule* 2016, pp. 144

means that they could install accumulation or manually read interval meters on behalf of the distribution network service provider.[35]

Under the new rules, the installation and maintenance of meters is now the responsibility of the metering provider. In New South Wales, the metering provider can engage the services of a qualified ASP to conduct metering related works if it chooses.[36] ASPs are also permitted to perform other services, such as supply connection works, and can be contracted by the customer in order to do so.[37] When a customer engages an ASP directly, the metering provider will install the required meter and co-ordinate with the ASP for connection of supply.[38]

It is the Commission's understanding that ASPs are not participants in the B2B e-hub.

1.2.5 Implementation of *Competition in Metering*

The *Competition in metering* final rule determination was published on 26 November 2015. Since then, a significant industry-wide implementation program has been underway to prepare for commencement of the reforms. This included:

- AEMO amending the relevant procedures
- the AER developing ring-fencing guidelines for distribution network service providers to provide competitive services
- AEMO developing a registration process for metering coordinators
- retailers and DNSPs amending their standard contracts for customers
- businesses and AEMO updating their systems and internal processes.

An industry-wide program of this scale comes with risks, including challenges in completing system changes and arranging commercial agreements in time for commencement, as well as managing customer risks associated with new connections, transfers, faults and emergencies. To identify and mitigate these risks, AEMO and market participants worked together intensively through a formal process, which included monthly industry readiness reporting and undertaking monitoring and reporting of industry risks.

As a result of a separate government-mandated rollout under the advanced meter installation (AMI) program, almost all Victorian consumers already have advanced meters that were installed by distribution network service providers. The Victorian government has made significant derogations from the metering provisions in the NER, with the result that key changes that were made in the *Competition in metering* rule do not apply in Victoria and metering services continue to be provided by distribution network service providers as a regulated monopoly service. In addition, the NERR does not apply in Victoria.

Since 1 December 2017, approximately 151,000 small customer advanced meters have been installed across the NEM, excluding Victoria. A significant portion of the installations have

35 NSW Department of Planning and Environment, *NSW Accredited Service Provider (ASP) Scheme Rules*, December 2017, part 2.

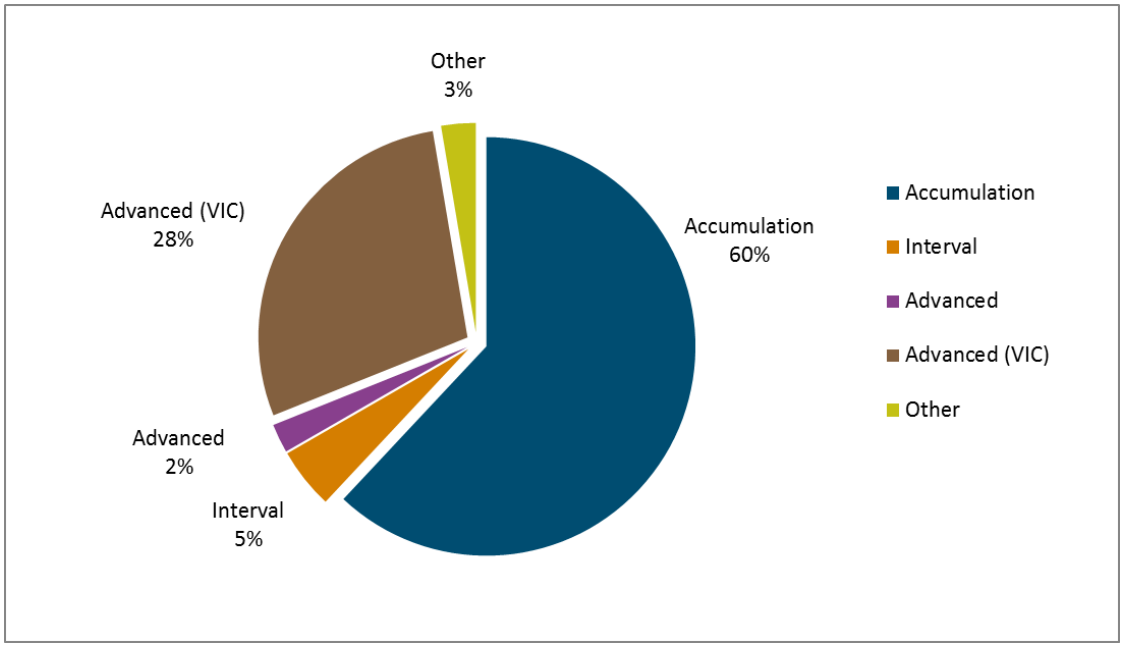
36 Under the NER, there is no requirement on the metering provider to engage an ASP to perform metering related works. A metering provider may engage an electrician that is not an accredited service provider if it so chooses.

37 NSW Department of Planning and Environment, *NSW Accredited Service Provider (ASP) Scheme Rules*, December 2017, part 1.

38 AEMO, *B2B Guide*, March 2017, section 6.

occurred since the transition period ended on 31 March 2018. A large number of advanced meters were also installed during the transition to the new rules, with a total of approximately 500,000 advanced meters having been installed outside of Victoria since the *Competition in metering* rules were made in November 2015.

Figure 1.1: Metering installations in the National Electricity Market by type



Source: AEMO, Market Settlement and Transfer Solutions (MSATS) - M74, 12 July 2018.

1.3 Rationale for the rule change requests

Both rule change requests relate to delays in the installation of advanced meters, which many small customers have been experiencing since 1 December 2017.

1.3.1 The Australian Government's rule change request

The rule change request noted that "since the commencement of the new rules, the Australian Government has become aware of complaints from small customers relating to delays in receiving new meters".[39] It noted that, while there are timeframes regarding the replacement of malfunctioning meters, there are no requirements regarding timeframes to install meters in other circumstances, such as a new connection or where a customer is seeking an upgraded meter to access electricity products and services.

The rule change request is concerned with the negative impacts of installation delays on small customers. For new connections, delays mean the customer is unable to access electricity. For replacement meters, the customer is unable to access new electricity products and services until the upgrade is complete, resulting in a poor customer experience and

39 The Australian Government, Rule change request, *Metering installation timeframes*, p. 2.

potentially slowing the deployment of advanced meters. Where the new services allow customers to reduce their energy bills, the Government expresses a concern that installation delays may result in higher bills than necessary.[40]

1.3.2 AEC's rule change request

In its rule change request, the AEC raised the concern that some of the obligations that were transferred from DNSPs to retailers and metering coordinators in the *Competition in metering* final rule are taking longer to complete now that more participants are involved in the installation process. While previously the distribution network service provider carried out all tasks, the retailer must now appoint a metering coordinator and metering provider and coordinate the tasks.

In particular, the AEC argued that the following obligations imposed under the *Competition in metering* rule limit the flexibility of retailers and metering parties and contribute to delays in installing new meters:[41]

- the requirement for retailers to provide advance notice to small and large customers of a planned interruption of supply
- the requirement for retailers to provide a 24 hour phone number for inquiries about retailer planned interruptions to the customer's electricity supply
- the requirement for retailers to notify customers of a new meter deployment, including allowing them to opt-out of the deployment if they choose to.

In addition, the AEC is of the view that replacing a small customer's meter in the case of a malfunction typically takes longer than the timeframe imposed under the NER, due to the obligations placed on retailers and metering parties.

1.4 Solution proposed in the rule change requests

The rule proponents have proposed various changes to the NER and NERR that are aimed at preventing meter installation delays for small customers.

1.4.1 Solutions proposed by the Australian Government

To address issues relating to meter installation timeframe delays, the Australian Government[42] proposed the following solutions:

1. Amend the NER to require the retailer[43] to use its best endeavours to provide a meter installation on a date agreed with the customer, or otherwise within six business days after the customer has met the necessary preconditions. Preconditions could include the following:[44]

40 ibid.

41 AEC, rule change request, *Metering installation timeframes*, p. 2.

42 This rule change request was submitted by Hon Josh Frydenberg MP, then Minister for the Environment and Energy, now Treasurer, on behalf of the Australian Government.

43 The obligation would be placed on the retailer in their role as the financially responsible market participant (FRMP) for the customer's connection point.

44 The Australian Government, Rule change request, *Metering installation timeframes*, pp. 3-4.

a. the retailer has received a formal request from the customer for the new or replacement meter
b. an electrician has confirmed the site is safe and ready for the meter installation
c. the DNSP has advised that the meter installation can proceed
d. the customer agreement with the retailer is in place.

2. Amend the NERR to include a new obligation on retailers to inform small customers of their rights in relation to the timing of the meter installation requirements under the rules.[45] The Government suggested that this obligation may form part of the terms and conditions of the customer's standard or market retail contract.

While the rule change request did not discuss whether the proposal would apply to the replacement of malfunctioning meters, the Commission understands that it is only intended to operate in situations where installation timeframes do not currently apply, such as for new connections and meter exchanges.

The rule change request noted that there may be circumstances in which a retailer, regardless of its best endeavours, is unable to meet an installation timeframe. This might include extreme weather events, meter accessibility issues, or if specific safety precautions must be taken with the meter installation (for example if there is asbestos in the meter board). In these circumstances the meter installation is not able to proceed until the situation causing the delay passes or is rectified. The best endeavours requirement on the retailer is intended to acknowledge these situations.

The rule change request did not include a proposed rule.

1.4.2 Solutions proposed by the AEC

To address issues relating to meter installation timeframe delays, the AEC proposed the following solutions:

1. Addressing several issues relating to planned interruption notices (PINs), including:[46]
   a. amending the NERR to allow customers (including life support customers) to agree with their retailer an alternative date for a planned interruption, even if this falls within the minimum four day notification period
   b. removing the requirement for retailers to provide planned interruption notices to large customers
   c. removing the existing requirement for retailers to provide a 24 hour phone number for all customers for inquiries about retailer led planned interruptions.
2. Allowing customers to opt out of notification requirements for retailer led deployments of advanced meters.

45 The Australian Government, Rule change request, *Metering installation timeframes*, p. 3.
46 AEC, rule change request, *Metering installation timeframes*, pp. 11-15.

The AEC also proposed that the existing requirement to repair a faulty meter within ten business days be extended to 20 business days to address coordination and notification challenges associated with replacing faulty meters.[47]

The rule change request included proposed amendments to the NER and to the NERR.

1.5 The rule making process

On **31 May 2018**, the Commission published notices advising of its commencement of the rule making process and consultation in respect of the rule change request.[48] A consultation paper identifying specific issues for consultation was also published. Submissions closed on **12 July 2018**.

The Commission received 24 submissions as part of the first round of consultation. The Commission considered the issues raised by stakeholders in submissions. Issues raised in submissions are discussed and responded to throughout this draft rule determination. Issues that are not addressed in the body of this document are set out and addressed in Appendix A.

1.6 Industry forums and workshops conducted by regulatory bodies

In parallel to the Commission's rule change process, regulatory bodies and jurisdictional officials have conducted workshops and forums to facilitate the development of solutions to address the meter installation delays experienced by customers.

For example, the Commission, the AER, AEMO, ESCOSA and EWOSA have held a number of industry forums in South Australia with major energy retailers, the DNSP and representatives of electrical contractors and builders.

The industry forums focused on developing short-term, industry led solutions to address meter installation delays in South Australia while the rule change process is ongoing. The forums have led to some improvements to the situation in South Australia and have reduced the number of complaints received by EWOSA.

1.7 Consultation on draft rule determination

The Commission invites submissions on this draft more preferable rule and draft rule determination by **25 October 2018**. There will be limited capacity to accommodate late submissions.

Any person or body may request that the Commission hold a hearing in relation to the draft rule determination. Any request for a hearing must be made in writing and must be received by the Commission no later than **20 September 2018.**

Submissions and requests for a hearing should quote project number **ERC0236** and may be lodged online at www.aemc.gov.au or by mail to:

47 AEC, rule change request, *Metering installation timeframes*, p. 11.

48 This notice was published under s.95 of the National Electricity Law (NEL).

Australian Energy Market Commission

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2 DRAFT RULE DETERMINATION

2.1 The Commission's draft rule determination

The Commission's draft rule determination is to make a more preferable draft rule (draft rule). The draft rule imposes new requirements on retailers to install a new or replacement meter within a maximum timeframe. This timeframe applies when a small customer has initiated the request for the meter and has not agreed to an alternative date for the installation.[49]

The draft rule is based on the solutions proposed in the Australian Government's rule change request and adopts key aspects of the changes to the National Electricity Rules (NER) and the National Energy Retail Rules (NERR) proposed by the Australian Government.

The draft rule also includes a range of additional measures that may reduce metering delays and increase consumer confidence in the industry. These include:

- obligations on the retailer to inform small customers of the meter installation timeframes for customer initiated works
- changing the notification requirements regarding retailer planned interruptions to make them more flexible
- a recommendation to the COAG Energy Council (intended to be made jointly with the AER) to extend the current civil penalty provisions on timeframes for malfunctioning meters to other types of metering arrangements

In addition, the AEMC has made a recommendation to AEMO that they streamline the appointment process for metering parties in certain circumstances.

The draft rule also harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with those for customer initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires coordination between several parties.

The draft rule made by the Commission is attached to and published with this draft rule determination. The Commission's reasons for making this draft determination are set out in section 2.4. Further information on the legal requirements for making this draft rule determination is set out in Appendix B.

2.2 Rule making test

2.2.1 Achieving the national electricity objective and national energy retail objective

Under the NEL, the Commission may only make a rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the national electricity objective (NEO).[50] This is the decision making framework that the Commission must apply.

49 An exception to the timeframe requirement may apply in limited cases where the installation of a meter cannot proceed due to circumstances outside the control of the retailer and metering parties.

50 Section 88 of the NEL.

The NEO is:[51]

> to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:
>
> (a) price, quality, safety, reliability and security of supply of electricity; and
>
> (b) the reliability, safety and security of the national electricity system.

Under the NERL, The Commission may only make a rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the national energy retail objective (NERO).[52] This is the decision making framework that the Commission must apply.

The NERO is:[53]

> to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.

The Commission must also, under the NERL, where relevant, satisfy itself that the rule is "compatible with the development and application of consumer protections for small customers, including (but not limited to) protections relating to hardship customers" (the "consumer protections test").[54]

Where the consumer protections test is relevant in the making of a rule, the Commission must be satisfied that both the NERO test and the consumer protections test have been met.[55] If the Commission is satisfied that one test, but not the other, has been met, the rule cannot be made.

There may be some overlap in the application of the two tests. For example, a rule that provides a new protection for small customers may also, but will not necessarily, promote the NERO.

2.2.2 Making a more preferable rule

Under s. 91A of the NEL and s. 244 of NERL, the Commission may make a rule that is different (including materially different) to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule will or is likely to better contribute to the achievement of the NEO and NERO.

In this instance, the Commission has made a more preferable rule. The reasons are summarised below.

---

51 Section 7 of the NEL.
52 Section 236(1) of the NERL.
53 Section 13 of the NERL.
54 Section 236(2)(b) of the NERL.
55 That is, the legal tests set out in s. 236(1) and (2)(b) of the NERL.

2.3 Assessment framework

In assessing the rule change request against the NEO and NERO, the Commission has considered the following principles:

- **Consumer protection:** the degree to which the proposed rule change may improve, or at least not interfere with, consumer protections. The Commission will also consider whether the proposed new rules are compatible with the development and application of relevant consumer protections under energy laws and regulations of Victoria.[56]
- **Efficient provision of electricity services:** the degree to which the proposed rule change may reduce the likelihood that retailers undertake inefficient processes leading to consumers bearing higher costs. The Commission will also consider how delays in the installation of advanced meters may adversely affect the development of the energy services market.
- **Regulatory and administrative burden:** the degree to which the benefits of the proposed rule change outweigh the implementation costs that would likely pass through to consumers in a workably competitive market.

2.4 Summary of reasons

The Commission has assessed whether the proposed rule change requests are, or are likely to, contribute to the achievement of the NEO and NERO and has evaluated the proposed rule change requests against the assessment framework set out above.

Efficient use of energy

Currently, customers who cannot get timely installation of an advanced meter may miss out on benefits from new services that can help them manage their energy use and costs, and may lose confidence in participating in such services. The draft rule imposes new requirements on retailers to install a new or replacement meter within a maximum timeframe.

The Commission considers that these new requirements are likely to reduce the instances of meter installation delays, and may provide customers with greater confidence about when their electricity meter will be installed.

Consumer protection

Delays in the installation of meters can have a severe impact on small customers, either through imposing financial hardship, leaving them without electricity supply or making it difficult to access new products and services. The Commission considered whether the proposed changes relating to meter installation delays would impede currently applicable consumer protections, or are consistent with such protections and are likely to be compatible with the future development of consumer protections.

56 The AEMC is not required to take into account the consumer protections specific to non-NECF jurisdictions (that is, Victoria), as the proposed changes to the NERR would only apply in those jurisdictions that have implemented the NECF. However, Victorian consumer protections may have some relevance insofar as they indicate potential directions for the development of consumer protections in NECF jurisdictions.

The Commission is of the view that the draft rule is likely to improve customer protections, and may result in fewer instances of harm to consumers as a result of meter installation delays. The Commission is also satisfied that the draft rule is compatible with the development and application of relevant consumer protections under energy laws and regulations of Victoria.

Efficient provision of energy services

Having regard to stakeholder submissions to the consultation paper, the Commission considers providing retailers with more flexibility in relation to the provision of planned interruption notices is likely to reduce the timeframe in which an advanced meter is installed. The Commission considers the timely rollout of advanced meters will assist in the development of the energy services market.

The draft rule includes a range of measures that are likely to reduce meter installation delays and increase consumer confidence in the industry, as listed above at section 1.1.

Regulatory and administrative burden

The Commission considered whether the implementation or operation of the draft rule would result in a disproportionate regulatory or administrative burden on retailers, metering parties and DNSPs, compared to the benefits of the draft rule.

The Commission is cognisant that the proposed new obligations on retailers and DNSPs may necessitate changes to their systems, processes and contractual relationships with other parties. However, those concerns need to be balanced against the costs of no action, including the substantial harm to consumers that may continue to arise from meter installation delays.

Taking these factors into account, the Commission considers the benefits to consumers under the proposed new obligations outweigh the additional regulatory burden on retailers.

2.5 Other requirements under the NEL and NERL

In applying the rule making tests referred above, the Commission has also taken into account issues that are set out and addressed in Appendix B.

3 THE CASE FOR A RULE CHANGE

This chapter outlines the case for the draft rule, including the meter installation delays and off-supply issues experienced by small customers since 1 December 2017.

3.1 Proponents' views

Both rule change requests relate to delays in the installation of advanced meters, which many small customers have been experiencing since 1 December 2017. As discussed in subsequent chapters, the rule change proponents have proposed various changes to the NER and NERR that are aimed at removing these delays for small customers, without compromising on other key considerations such as consumer safety.

In its rule change request, the Australian Government noted that "poor customer experiences in the early stages of the new contestable metering market have the potential to undermine confidence in this important reform."[57] Similarly, the AEC noted that installation delays have "resulted in a negative impact on customer experience giving rise to customer complaints to retailers[...]".[58]

3.2 Stakeholder views

Many stakeholders advised that the delays are nationwide and apply to all types of meter installations for small customers, including new connections as well as alterations.[59] Comments included that:

- The most common complaint about delays for a new connection is the failure or inability of the retailer to provide a firm date for installation. The next most common is the failure to install on the date stated. Some of these delays appear to be because meter providers are unable to meet the demand. Others are due to breakdown in the information flow between customers, retailers and meter providers.[60]
- Electrical contractors are reporting that the installation process for meter alterations takes between 2.5 and 5.5 weeks, depending on location and workflow. This is an increase of between five and 14 days compared to before 1 December 2017.[61]
- The installation process for new connections commonly takes 8-12 weeks, and has had significant impact on the building industry given that new builds cannot be completed without an electricity meter. The Housing Industry Association (HIA) estimates that installation delays are adding around $2000 to the cost of constructing a home.[62]

57 The Australian Government, Rule change request, *Metering installation timeframes*, p. 2.

58 AEC, Rule change request, *Meter installation timeframes*, p. 1.

59 Consultation paper submissions: Master Electricians Australia, p. 2; Energy Australia, pp. 1-2; EWOQ, pp. 1-2; ESCOSA, p. 1; EWOSA, p. 2; Dr Martin Gill, p. 1; SA Department for Energy and Mining, p. 1; HIA, pp. 1-2; Origin p. 1; AER, p. 1; Energy Queensland, p. 4; EWON, pp. 1-2.

60 EWON, submission to the consultation paper, p. 3.

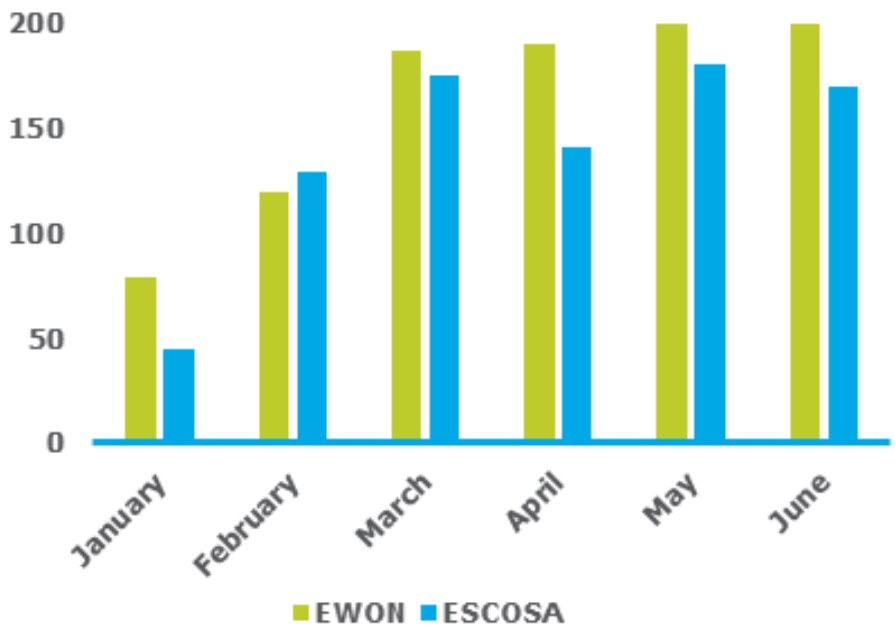
61 Master Electricians Australia, submission to the consultation paper, p. 2.

62 HIA, submission to the consultation paper, pp. 1-2.

- Meter installations for new connections are reportedly taking four to six months on average in regional South Australia. In some cases, a lack of coordination between the parties now responsible for connection and metering services has led to customers being left off supply, sometimes for days.[63]

Several energy ombudsmen provided statistics indicating a significant increase in the number of customer disputes relating to meter installations since 1 December 2017. For example, the Energy and Water Ombudsman Queensland (EWOQ) noted that it had closed 456 cases in the 2017-18 financial year, compared to 97 cases in the previous year.[64] The Energy and Water Ombudsman of New South Wales (EWON) and the Energy and Water Ombudsman of South Australia (EWOSA) also provided data relating to disputes, displayed in the chart below.

Figure 3.1: Customer disputes related to meter installations - 2018



Source: Consultation paper submissions: EWON, p. 1; ESCOSA, p. 2.

Some retailers were of the view that the issues being experienced by small customers are not unexpected for a change of this nature and size.[65] Comments included that:

- Retailers are working together with metering providers, distribution network service providers, the Commission, AEMO, the AER, and state and federal governments to solve the meter installation delays.[66]

63 ESCOSA, submission to the consultation paper, p. 2.
64 EWOQ, submission to the consultation paper, pp. 1-2.
65 Consultation paper submissions, Energy Australia, p. 2; Vector, p. 1; Powershop, p. 1, Red Lumo, p. 1; AGL, p. 1.
66 Energy Australia, submission to the consultation paper, pp. 1-2.

- The delays have largely resulted from adjustments required within retailers' and metering service providers' businesses as they take on new market roles as well as the need to 'scale' to be able to respond to customer requests.[67]
- Poor customer experience is partly due to participants interpreting the energy rules and procedures differently.[68]
- There are occasions where the lack of co-ordination or reluctance from DNSPs to assist are causing meter installation delays.[69]

Most stakeholders were in agreement that the delays are not solely the result of implementation issues on the part of retailers and metering parties, and that the current rules need to change. Energy ombudsmen, consumer groups, government departments and other industry bodies were supportive of introducing a regulated timeframe for meter installations.[70] In contrast, retailers were of the view that existing issues in the rules should be fixed before introducing a new requirement on retailers to meet meter installation timeframes.[71]

3.3 Analysis

3.3.1 Importance of metering contestability

As noted in section 1.2.5, over 500,000 small customers outside Victoria now have advanced meters. The rollout is progressing faster than expected, particularly in South Australia where almost ten percent of small customers now have an advanced meter. Customers that have received advanced meters have not only received a meter that can support more services than under the previous regulated approach to metering, but they have also generally done so at no upfront cost.

Advanced meters are a key foundation for the transformation of the energy market. They enable customers to better understand and control their electricity use and costs, and enable them to access new services. They are also a pre-requisite for the implementation of cost-reflective tariffs, which will deliver significant savings in network costs and average prices for consumers.

A result of the metering contestability reforms is that the rollout of advanced meters is being driven by consumer choice, rather than regulation. As anticipated, most advanced meter installation requests are coming from customers directly; rather than as a result of retailers choosing to undertake advanced meter deployments.

There is a risk that poor customer experiences in the early stages of the new contestable metering market have the potential to undermine confidence in this important reform. As discussed below, delays in meter installations can cause significant harm to consumers and

67 Vector, submission to the consultation paper, pp. 3-4.

68 AGL, submission to the consultation paper, p. 1.

69 Energy Australia, submission to the consultation paper, p. 10.

70 Consultation paper submissions: Master Electricians Australia, p. 3; ESCOSA, p. 1; SA Department for Energy and Mining, p. 1; AER, p. 2; EWON, p. 1.

71 Consultation paper submissions, Energy Australia, p. 2; Vector, p. 1; Powershop, p. 1, Red Lumo, p. 1.

may reduce the likelihood that they take advantage of electricity products and services that could reduce their energy costs or usage.

3.3.2 Impact of meter installation delays

The Commission agrees with the Government that delays in the installation of meters can have a severe impact on small customers. This harm may result from:

- **No access to electricity:** When a meter installation is delayed at a new connection, the customer is unable to access electricity and will likely be unable to occupy the premises for the period of the delay.
- **Poor customer experience:** When a meter replacement is delayed, the customer may be unable to access new products and services until the upgrade is complete. This can result in poor customer experience and potentially slow the deployment of advanced meters.
- **Financial hardship:** Meter delays at a new connection can cause significant financial hardship for the customer; for example, they may need to pay for alternative accommodation or forgo rental income from the property. Where the new meter is enabling a service that allows the customer to reduce their energy bills, installation delays may also result in higher bills than necessary.

The amount, and severity, of cases where small customers have experienced meter installation delays since 1 December 2017 is of serious concern to the Commission. That customers continue to experience issues obtaining a new or replacement meter more than eight months after the implementation of the metering contestability rule is a signal that the the situation is not able to be resolved by industry action alone and that regulatory changes are needed.

3.3.3 Actions taken to resolve the delays

The Commission has been working closely, alongside other regulatory bodies such as the AER and AEMO, to resolve issues related to meter installation delays. This work has been conducted in parallel to the rule change process, so that outcomes for customers can be improved before the proposed rule commences.

While the issue of meter installation delays is nationwide, a pronounced lack of coordination between the parties now responsible for connection and metering services in South Australia has led to particularly severe cases in that state. In limited cases, customers have been left without electricity supply for days.[72]

To resolve this issue, the Commission, ESCOSA, the AER and AEMO have been holding regular workshops with retailers, metering businesses, SAPN, EWOSA and industry groups representing electrical and building contractors to identify solutions that can be implemented while the rule change process is in progress. The workshops have led to improvements in installation timeframes and reduced the instances of customers being left without electricity supply as a result of metering related works.

72 ESCOSA, submission to the consultation paper, p. 2.

3.4 Commission's position

While the instances of delays should be considered in the context of the large number of completed meter installations, the impacts on affected customers are nevertheless significant. Delays in the installation of meters can have a severe impact on small customers, either through imposing financial hardship, leaving them without electricity supply or making it difficult to access new electricity products and services. As a large proportion of complaints regarding meter installation are about retailers' inability to provide a firm date for installation, the Commission considers changes to the NER and NERR are required to provide customers with greater confidence over when their electricity meter will be installed.

The draft rule imposes new requirements on retailers to install a new or replacement meter within a maximum timeframe. This timeframe applies when a small customer has initiated the request for the meter and has not agreed to an alternative date for the installation.[73]

The draft rule also includes a range of additional measures to reduce delays and increase consumer confidence in the industry. These include:

- obligations on the retailer to inform small customers of the meter installation timeframes for customer initiated works
- a recommendation to the COAG Energy Council to extend the current civil penalty provisions on timeframes for malfunctioning meters to the new timeframes for other types of metering arrangements
- changing the notification requirements regarding retailer planned interruptions to make them more flexible
- a recommendation to AEMO that they streamline the appointment process for metering parties in certain circumstances.

The draft rule harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with those for customer initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires coordination between several parties.

The Commission considers that the draft requirements on retailers to install a meter within a maximum timeframe strike an appropriate balance between enhancing customer protections and maintaining the benefits of the metering contestability reforms.

Chapters 3 to 7 provide detailed discussion on the operation of the draft rule.

73 An exemption to the timeframe may apply in limited cases where the meter installation cannot proceed due to circumstances outside the control of the retailer and metering parties.

4 TIMEFRAMES FOR CUSTOMER-INITIATED METER INSTALLATIONS

In section 1.2.4, the Commission outlined that the different scenarios for installing or replacing a meter can broadly be grouped into three categories. These are customer initiated installations, replacement of malfunctioning meters and retailer led installations.

Customer initiated meter installations include installations for new connections, as well as when an existing meter is exchanged at a customer's request. Some meter exchanges require an upgrade to the customer's electricity supply (known as a connection alteration), while others do not.

This chapter discusses the new timeframe requirements placed on customer initiated meter installations. The draft rule imposes requirements on retailers to install a new or replacement meter within a maximum timeframe. Where the installation also requires a DNSP to provide a connection alteration, the draft rule specifies that the two parties must coordinate in order to allow the retailer to meet its timeframe obligations.

These timeframes apply when a small customer has initiated the request for the meter and has not agreed to an alternative date for the installation.

4.1 Current arrangements

There are currently few requirements in the NER regarding the timeframes in which electricity meters must be installed. The notable exception is the requirement for a metering coordinator to arrange for the repair or replacement of a faulty meter within a specified timeframe.[74] This obligation is discussed in further detail in section 5.1.

In situations where a customer has requested that a new or replacement meter be installed, there are no specified timeframes in which retailers and metering businesses must complete the installation. While some jurisdictions impose customer service standards on the DNSP that include timeframes for connection services[75], this requirement does not cover the timeframe in which a new or replacement meter must be installed by the retailer or the metering provider.

4.2 The Australian Government's view

In its rule change request, the Australian Government proposed a new obligation be placed on retailers[76] to use their best endeavours to provide a meter installation on a date agreed with the customer, or otherwise within six business days after the customer has met the

74 This timeframe begins when the metering coordinator is notified of the malfunction.

75 Under clause 5A.A.1 of the NER, 'connection services' includes either (1) a service relating to a new connection for a premises; or (2) a service relating to a connection alteration for a premises. It does not include providing, installing or maintaining a metering installation at a premises.

76 The obligation would be placed on the retailer in their role as the financially responsible market participant (FRMP) for the customer's connection point.

necessary preconditions.[77] The rule change request suggested that preconditions could include the following:

- the retailer has received a formal request from the customer for the meter
- an electrician has confirmed the site is safe and ready
- the local network service provider has advised that installation can proceed
- the customer agreement with the retailer is in place.

The Government considered that this new obligation would provide greater certainty to customers about the timeframes for the provision of metering services.

In addition, the rule change request recommended a new obligation be placed on retailers to inform small customers of their rights in relation to the timing of the meter installation requirements under the rules.[78] The Government suggested that this obligation may form part of the terms and conditions of the customer's standard or market retail contract.

4.3 Stakeholder views

4.3.1 Imposing a timeframe for customer-initiated meter installations

Energy ombudsmen, consumer groups, government departments, industry bodies, TasNetworks and Plus ES[79] were supportive of introducing a regulated timeframe for customer-initiated meter installations.[80] They were of the view that imposing a timeframe would contribute to improving customer confidence in the industry, including certainty for customers that any agreement with the retailer will be adhered to.

Most retailers and metering businesses were against introducing a timeframe for customer-initiated meter installations, with many advocating that existing issues in the rules should be fixed first.[81] Comments included that:

- imposing a regulated installation timeframe may drive a culture of 'install at all costs' to the detriment of safety[82]
- mandating a timeframe would impact existing commercial agreements and require resources to be diverted from ongoing work to improve the installation process.[83]

Stakeholders had mixed views regarding whether six days was a sufficient timeframe. Comments included that:

- timeframes for new connections should be no longer than six days, but they could be longer for certain types of meter upgrades[84]

77 The Australian Government, Rule change request, *Metering installation timeframes*, p. 2.

78 The Australian Government, Rule change request, *Metering installation timeframes*, p. 3.

79 Plus ES is a metering service provider.

80 Consultation paper submissions: EWOQ, p. 2; EWON, p. 1; AER, p. 2; ESCOSA, p. 1; SA Department for Energy and Mining, p. 1; Dr Martin Gill, p. 2; Housing Industry Association, p. 3; Master Electricians Australia, p. 3; TasNetworks, p. 1; Plus ES.

81 Consultation paper submissions: Aurora Energy, p. 1; EnergyAustralia, p. 2; Powershop, p. 1; Red Lumo, p. 1; Vector, p. 1; AGL, p. 1; AEC, pp. 2-3.

82 Powershop, submission to the consultation paper, p. 2.

83 Vector, submission to the consultation paper, p. 1.

84 EWOSA, submission to the consultation paper, p. 4.

- the field resourcing required to meet a six day timeframe would ultimately lead to an unnecessary increase in costs for consumers[85]
- ten business days is more reasonable and reflects the steps involved in the installation process[86]
- timeframes for different types of metering work, including the replacement of malfunctioning meters, should be harmonised.[87]

Origin was strongly in support of the Government's proposal to allow customers and retailers to agree a date for the provision of metering services, noting that it would provide customers with more control and manage negative consumer experiences.[88]

4.3.2 When the timeframe should start

Many stakeholders were in favour of including both a defined starting point for the timeframe, as well as a set of preconditions that need to be met.[89] Comments included that:

- The timeframe should commence once the retailer has sent a work request to install or replace the relevant meter to the appointed metering coordinator. Preconditions should include that the customer has accepted any quote for the metering work and has provided payment.[90]
- The 'clock' start should be the latter of either of following preconditions (a) the retailer has received a formal request from the customer for the new or replacement meter, or (b) an electrician has confirmed the site is safe and ready.[91]
- Preconditions should include that the meter installation is customer-initiated; the customer has arranged an appointment where they require the job to be completed at a specific date or time; and the metering coordination has received a notice indicating that supply is connected (where applicable).[92]

The AEC was not in favour of setting preconditions, on the basis that any initial steps not included in the timeframe may "become conflated in the customer's mind with the meter installation itself."[93]

4.3.3 Exceptions to the timeframe

The AER expressed a strong preference that any new timeframe is not subject to a 'best endeavours' requirement, on the basis that this would present a significant impediment to its effective enforcement.[94] Energy Queensland was also against a 'best endeavours' provision,

85 Aurora Energy, p. 1.
86 Submissions to the consultation paper: AGL, p. 2; EnergyAustralia, pp. 6-7.
87 TasNetworks, submission to the consultation paper, p. 1.
88 Origin, submission to the consultation paper, p. 1.
89 Consultation paper submissions: EWOQ, p. 3; Energy Queensland, p. 8; Plus ES, p. 5; Powershop, pp. 2-3; Aurora Energy, p. 1; Vector, p. 5.
90 Energy Queensland, submission to the consultation paper, p. 8.
91 EWOQ, submission to the consultation paper, p. 3.
92 PLUS ES, submission to the consultation paper, p. 5.
93 AEC, submission to the consultation paper, p. 3.
94 AER, submission to the consultation paper, p. 2.

noting that customers might overlook the requirement and interpret the timeframe as a "hard and fast rule".[95]

Retailers and metering businesses were of the view that exceptions to the installation timeframe should apply for a range of issues that are outside of their control, including where:[96]

- the retailer or metering coordinator is unable to gain access to the site
- supply is not connected on the expected date
- the meter installation is at a multi-occupancy site, where an interruption to the power supply would affect other customers
- electrical or other safety constraints, such as the presence of asbestos, prevent work from proceeding
- work needs to be rescheduled at the request of the customer or because the weather is bad.

4.3.4 Other issues raised by stakeholders

Who the obligation should be placed on

EnergyAustralia argued that any obligation to meet a timeframe for customer-initiated meter installations should be on the metering coordinator and the distribution network service provider, in addition to the retailer.[97] Aurora Energy was of the view that the risks associated with a retailer not meeting an installation timeframe can only be partially re-allocated through their contractual arrangements with metering coordinators; meaning that the risks are not fully allocated to the parties that can best manage them.[98]

Remote customers

Many stakeholders highlighted that consideration should be given to how any meter installation timeframe would apply to customers in a rural or regional area.[99] Comments included that:

- Installing a new meter for a customer supplied via rural feeders is a complex and time consuming process, involving the coordination of network crews and metering providers to attend dispersed and remote premises at a mutually convenient time to install or replace a meter.[100]
- It is more cost-effective for customers if retailers have some flexibility to batch jobs together. If regulations are more difficult or costly for retailers to comply with in remote

95 Energy Queensland, submission to the consultation paper, p. 7.
96 Submissions to the consultation paper: Plus ES, p. 1; Powershop, p. 1; AGL, pp. 5-6; Vector, p. 7; EnergyAustralia, p. 4.
97 EnergyAustralia, submission to the consultation paper, p. 7.
98 Aurora Energy, submission to the consultation paper, p. 2.
99 Consultation paper submissions: Powershop, p. 1; EnergyAustralia, p. 5; NSW Department of Planning and Environment, p. 2; SA Department for Energy and Mining, p. 2; Vector, p. 5; Energy Queensland, pp. 5-6.
100 Energy Queensland, submission to the consultation paper, pp. 5-6.

locations, then this could lead to retailers becoming unwilling to offer services to customers in those areas or offer them at prices that reflect the cost to serve.[101]

- Rural and remote customers can face challenges having basic supply restored if they are solely reliant on their retailer.[102]

New requirements to facilitate coordination

Several retailers and metering businesses were in favour of introducing new measures to improve co-ordination between the parties involved in installing meters.[103] Comments included that:

- the application of consistent work flow processes and B2B procedures across networks would support customers and industry better understanding the new arrangements and delivering operational efficiencies[104]
- standardisation of the use of existing B2B transactions should be enforced unless all participants involved with the request have agreed to an alternative[105]
- processes such as the New South Wales accredited service provider scheme, where participant interactions are minimised and the B2B messaging is not required for improved coordination, should sit outside of the guaranteed installation timeframe.[106]

Penalties for not meeting the timeframe

Several stakeholders were in favour of imposing penalties, for example civil penalties or a guaranteed service level payment, where retailers do not meet the installation timeframe for a meter installation.[107] Dr Martin Gill emphasised that the rules should offer customers compensation should the retailer fail to install the meter within the specified timeframe.[108]

4.4 Commission's position

4.4.1 Creating certainty for electricity customers

The Commission considers that there are significant benefits to imposing a nationally consistent and firm set of meter installation timeframes into the NER for cases where a small customer has requested a meter, including new and replacement situations. These include:

- increasing certainty for customers about when they can expect their meter to be installed
- setting an expectation for retailers, metering parties and DNSPs as to the minimum level of service required by customers, with penalties to promote compliance with the rules
- allowing customers to access the benefits of advanced meters on demand, including new products and services and, in some cases, lower energy bills.

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101 EnergyAustralia, submission to the consultation paper, p. 5.
102 NSW Department of Planning and Environment, submission to the consultation paper, p. 2.
103 Consultation paper submissions: EnergyAustralia, p. 6;
104 Origin, submission to the consultation paper, p. 2.
105 AGL, submission to the consultation paper, p. 1;
106 ibid.
107 Consultation paper submissions: SA Department for Energy and Mining, p. 2; EWOSA, p. 3; Dr Martin Gill, p. 2; EWOQ, p. 3; AER, p. 2.
108 Dr Martin Gill, submission to the consultation paper, p. 2.

The draft rule therefore includes both the flexibility for retailers and customers to agree on a time for a meter installation, as well as requirements on retailers to meet a maximum timeframe for the provision of a meter installation in cases where a small customer has initiated the request for a new meter and has not agreed to a date. We consider that these requirements consitute a clearer, more consistent and firm set of expectations for retailers to deliver metering services to customers in the National Electricity Market.

Under the draft rule, retailers will be required to provide a meter installation for a new connection or a simple meter exchange on a date agreed with the customer. If no date can be agreed, then the retailer will be subject to a maximum timeframe of six business days for a new connection or 15 business days for a simple meter exchange.

For meter exchanges that also require a connection alteration, the retailer will be required to provide a metering installation on a date agreed with the customer and the DNSP. This is because, in the majority of cases, the connection services must be completed at the same time as the meter installation. If no date is agreed, the draft rule imposes an installation timeframe of 15 business days on the retailer and specifies that the DNSP must coordinate the connection alteration in order to allow the retailer to meet its timeframe obligations.[109]

The Commission considers that the new requirements should lessen the metering delays currently experienced by small customers. The timeframes should provide customers with increased confidence that their meter will be installed on a date agreed with the retailer, or where no agreement exists, within a defined and relatively short period of time.

4.4.2 Draft rule to protect small customers

The draft rule imposes maximum timeframes on meter installations that are initiated by small customers, where an alternative date for the installation has not been agreed.[110] The definition of 'small customer' used by the energy rules includes most residential customers and small businesses. It is important to note that the timeframes on meter installations will apply equally to small customers within urban areas as to those in rural or regional areas. The Commission considered that it was appropriate for all small customers to face equal protections under the energy rules.

The Commission has excluded large customers from the new requirements because they have more control over the timing and nature of their meter installation. Under the *Competition in metering* rule, large customers are permitted to appoint their own metering coordinator; whereas small customers are not.

This approach was adopted so that the arrangements remain simple and practical from a small customer's perspective. To ensure that small customers are not adversely affected by their inability to appoint a metering coordinator, they are covered by a number of consumer protection provisions under the NER and NERR, as well as by energy ombudsman schemes in

109 The draft rule additionally specifies how the retailer and DNSP must communicate with each other.

110 'Small customer' is defined under Part 1(4) of the *Electricity Act 1996* as "a customer with an annual electricity consumption level less than the number of MWh per year specified by regulation for that purpose...". According to current jurisdictional regulations, it means a customer with an annual electricity consumption level less than 100MWh in QLD, ACT and NSW; 150 MWh in ACT; and 160 MWh in SA.

each jurisdiction. The new meter installation timeframes will add to these existing consumer protections.

4.4.3 Draft requirements to be placed on retailers and distribution network service providers

The draft rule places the obligation to meet an installation timeframe for new connections and simple meter exchanges on the retailer, rather than on the metering coordinator. It is appropriate for the requirement to be placed on retailers, as they are the primary point of contact for small customers regarding the sale and supply of energy.[111]

The Commission considers that the new obligations will require retailers to be accountable to their customers for meeting installation timeframes. It will also provide retailers with an incentive to manage any delays through their commercial relationships with metering service providers.

For more complex meter exchanges that also require a connection alteration, the draft rule specifies that the DNSP must coordinate the connection alteration with the retailer in order to allow the retailer to meet its timeframe obligations. This requirement is necessary because the retailer does not have any direct control over the timing of the DNSP's connection service work for the site. During complex meter exchanges, the retailer and the DNSP must closely coordinate in order to provide the meter installation within a short timeframe and ensure the continuity of electricity supply to the consumer.

Where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, there will not be an explicit requirement for the retailer and agent to coordinate. This is because the party providing connection services can negotiate with the retailer on behalf of the customer regarding a more suitable installation date, if required.

4.4.4 Flexibility for customers to agree to an alternative date

The draft rule allows for the meter to be installed on a date outside of the maximum timeframe, where the date is agreed to by the customer. This agreement must be verifiable by the AER for compliance and enforcement purposes. The new provision provides flexibility for customers to schedule the meter installation at a time that suits them, including at a later date if, for example, the customer has a holiday planned or needs to arrange for a device such as a solar panel to be installed first.

The provision also allows the customer and retailer[112] to negotiate an alternative date for installation in cases where it may be more efficient and cost-effective for the installation to be 'batched' with similar installations (for example, in rural or regional areas).

The draft rule does not prevent retailers from offering customers additional services or a more competitive rate if they are willing to agree to an alternative date for installation. However, the customer is not obligated to agree to an alternative date if they do not wish to

111 Under the NER, small customers are not able to appoint their own metering coordinators.

112 In addition to the DNSP, where applicable, for complex meter exchanges.

do so. If the customer does not agree, the retailer will need to install the meter within the maximum timeframe.

4.4.5 Arrangements for Victoria

In 2006, the Victorian Government mandated a rollout of advanced meters (the AMI program). Through this mandate, almost all small customers in Victoria received an advanced meter, in accordance with a prescribed minimum specification, from their DNSP.

To enable this scheme, the Victorian government made significant derogations from the metering provisions in the NER. The result of this is that key changes that were made under *Competition in metering* rule do not apply in Victoria until 2021.[113] For example, metering services continue to be provided by DNSPs as a regulated monopoly service.[114]

The Commission notes that the draft rule, which applies metering installation timeframes to the retailer, may need to be amended through jurisidictional derogation in Victoria. This is because the DNSP remains the key party responsible for metering related works, including meter installations, in that State.

4.5 Draft rule requirements

The draft rule includes a maximum timeframe for the provision of a meter installation in cases where the meter is requested by a customer and no alternative date has been agreed.

The requirements differ slightly depending on whether the meter installation is for a new connection, a simple meter exchange or a complex meter exchange. This is because the installation steps are different for each scenario, including the number of parties involved in the installation process.

4.5.1 Timeframes for new connections

A new connection refers to a situation where electricity supply is being connected to a premises or site where none existed before. In practice, new connections are most often new builds that have just been completed. They may be at a single occupancy dwelling, such as a standalone house, or a multiple occupancy dwelling, such as an apartment building.

Under the draft rule, retailers will be required to provide a metering installation for a new connection on a date agreed with the customer. If no date is agreed, then the retailer must =install the meter within six business days of being informed that any requisite connection services are complete.

The Commission considers that an installation timeframe of six business days is appropriate, given that:

113 Victorian Government Gazette, *National Electricity (Victoria) Act 2005 - 2017 Ministerial Order under Section 16BA,* 12 October 2017.

114 In addition, the NERR does not apply in Victoria.

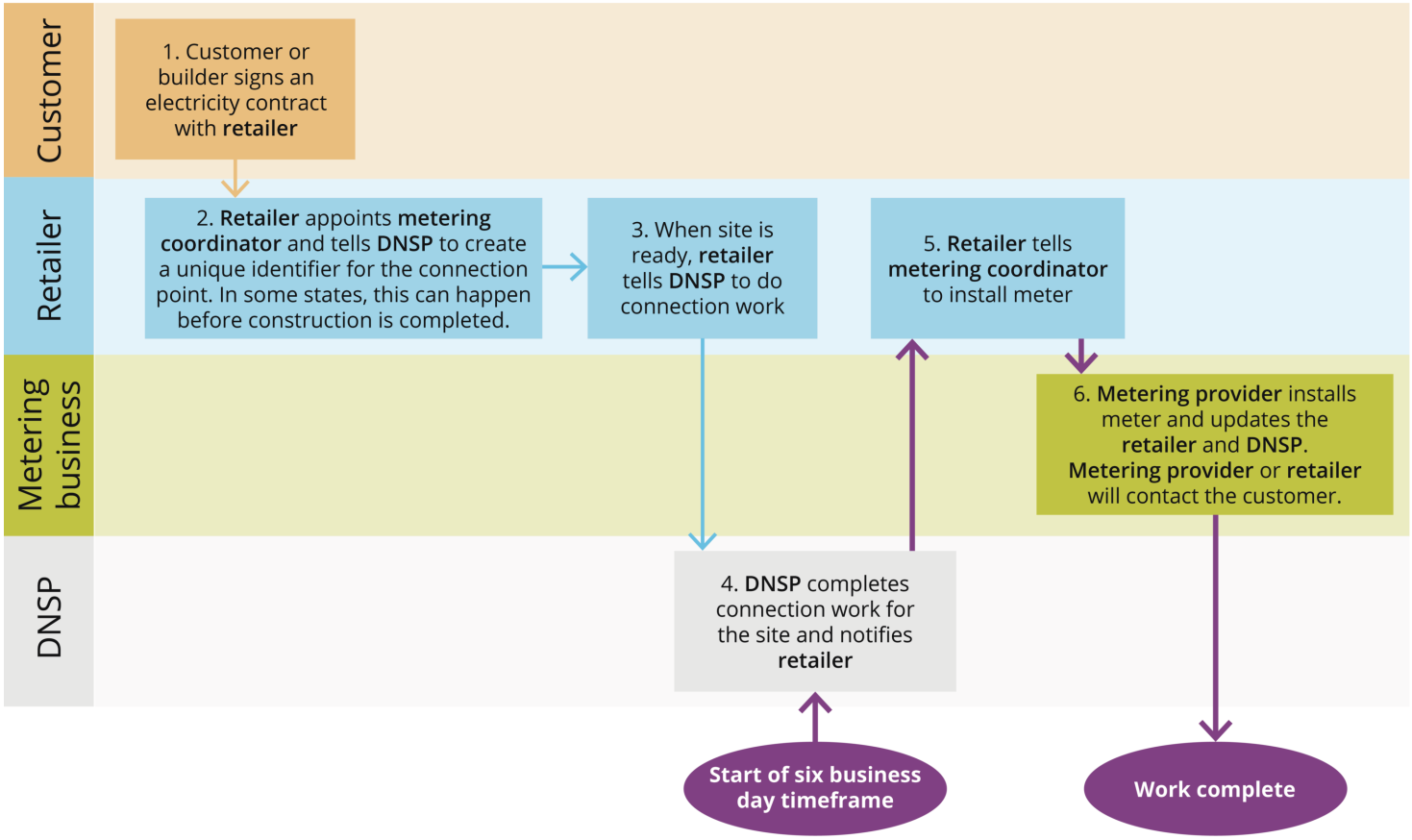
- when a meter installation is delayed at a new connection, the customer is unable to access electricity and will likely be unable to occupy the premises for the period of the delay
- the installation process for a new connection is likely to be more straightforward than for a meter exchange once supply has been established to the site.

The timeframe of six business days will start once the retailer has been notified that any connection services are complete. In most cases, this notification will be from the DNSP and the retailer will be notified via AEMO's B2B e-hub or another agreed method (see section 4.5.4).

In New South Wales, an appropriately qualified accredited service provider may complete connection services on behalf of the customer. The same provider may also be contracted by the metering provider to complete metering work for the site. In these cases, the accredited service provider should be able to complete the connection services and meter installation at the same time.

If the accredited service provider that is employed by the customer for connection services is not able to complete metering work, then they will need to inform the retailer when connection services are complete. Once the retailer has been informed, the timeframe for the meter installation will commence. The draft rule does not include a requirement for this notification to occur through the B2B e-hub.

Figure 4.1: Proposed installation timeframe for a new connection



Note: These timeframes do not apply when a small customer and retailer have agreed to an alternative date for the installation.

4.5.2 Timeframes for a meter exchange without connection services

A simple meter exchange refers to a situation where an existing electricity meter is being replaced with a new meter and no connection alteration is required. In practice, this often occurs when a customer has requested a new electricity product or service that requires their existing accumulation or manually read interval meter to be replaced with an advanced meter. For example, the installation of a small solar panel may require a simple meter exchange.

Under the draft rule, retailers will be required to provide a metering installation for a simple meter exchange on a date agreed with the customer. If no date is agreed, then the retailer must install the meter within 15 business days of having received a request from an existing small customer to exchange the meter.

The Commission considers that a timeframe of 15 business days is appropriate, given that more coordination between parties are required than compared to new connections. For example:

- the retailer must provide notification to affected customers of a temporary interruption to their electricity supply while the meter is being installed[115]
- when the existing meter is being upgraded from an accumulation or manually read interval meter to an advanced meter, the retailer will need to appoint new metering parties for the site.[116]

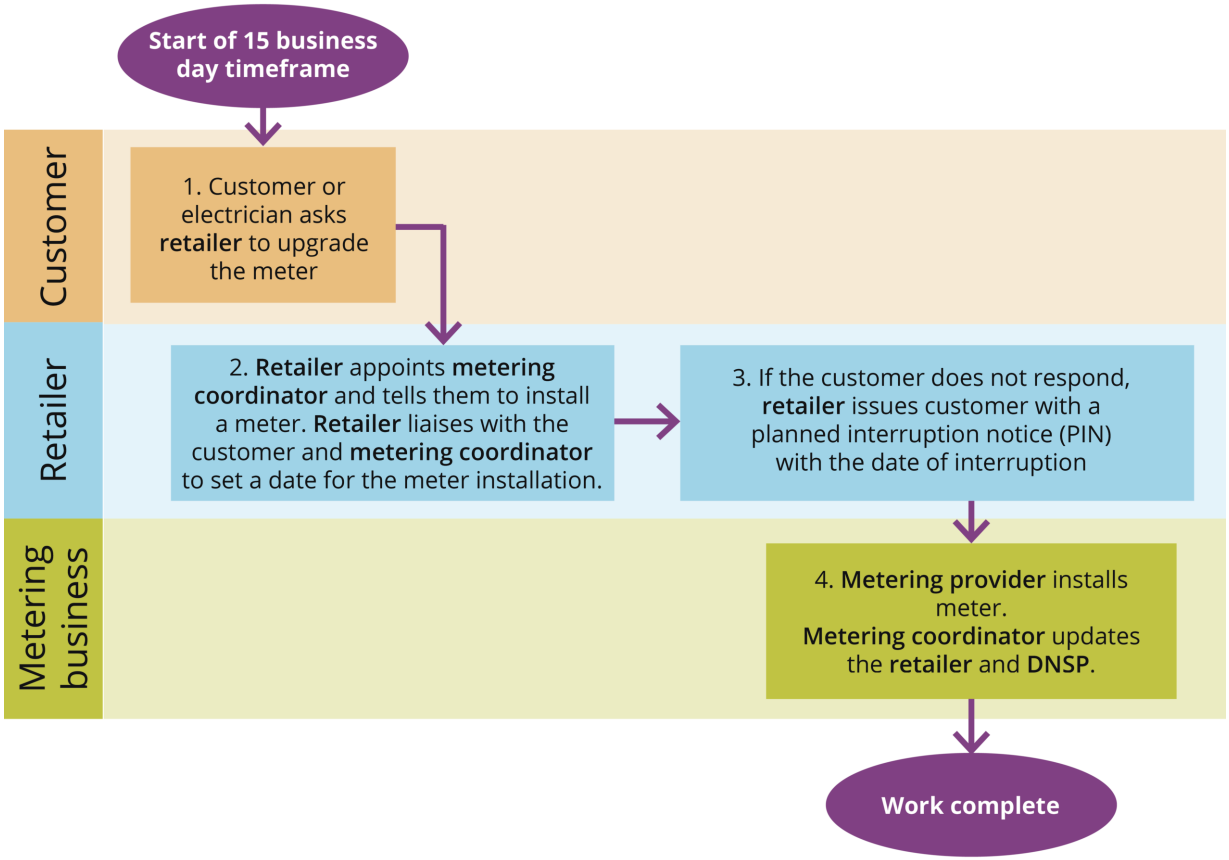
To assist retailers in meeting a maximum timeframe of 15 business days, the Commission has proposed changes to the rules to provide more flexibility for retailers to notify customers of a planned interruption (see Chapter 6). In addition, we have recommended that AEMO streamline its appointment process for metering parties in certain circumstances, in order to make meter installations more efficient (see section 5.4).

The timeframe of 15 business days will start once the retailer has received a formal request from an existing customer to exchange the meter. A precondition is that the customer will need to provide consent for any terms and conditions that might accompany the meter installation before the timeframe starts.

115 Under rule 59C of the NER.

116 As a transitional arrangement under the *Competition in metering* rule, the local network service provider is the metering coordinator (and metering provider) for existing manually read metering installations, until the meter is replaced. Once the meter is replaced, the retailer must appoint a new metering coordinator and metering provider.

Figure 4.2: Proposed installation timeframe for a meter exchange without a connection service



Note: The retailer will only need to appoint a new metering coordinator (in step 2) if the existing meter is an accumulation or manually read interval meter that is being replaced with an advanced meter. These timeframes do not apply when a small customer and retailer have agreed to an alternative date for the installation.

4.5.3 Timeframes for a meter exchange with a connection alteration

A complex meter exchange refers to a situation where an existing electricity meter is being replaced with a new meter, and a connection alteration is also required. In practice, this often occurs when a customer requires an advanced meter as well as an upgrade to the capacity of their electricity supply to enable a new product or service. For example, a customer may have bought an electric vehicle or a large air conditioner that requires three phase electricity supply.

For more complex meter exchanges that also require a connection alteration, the retailer will be required to provide a metering installation on a date agreed with the customer and the DNSP. This is because, in the majority of cases, the connection services must be completed at the same time as the meter installation. If no date is agreed, the draft rule imposes an installation timeframe of 15 business days on the retailer and specifies that the DNSP must coordinate the connection alteration in order to allow the retailer to meet its timeframe obligations.

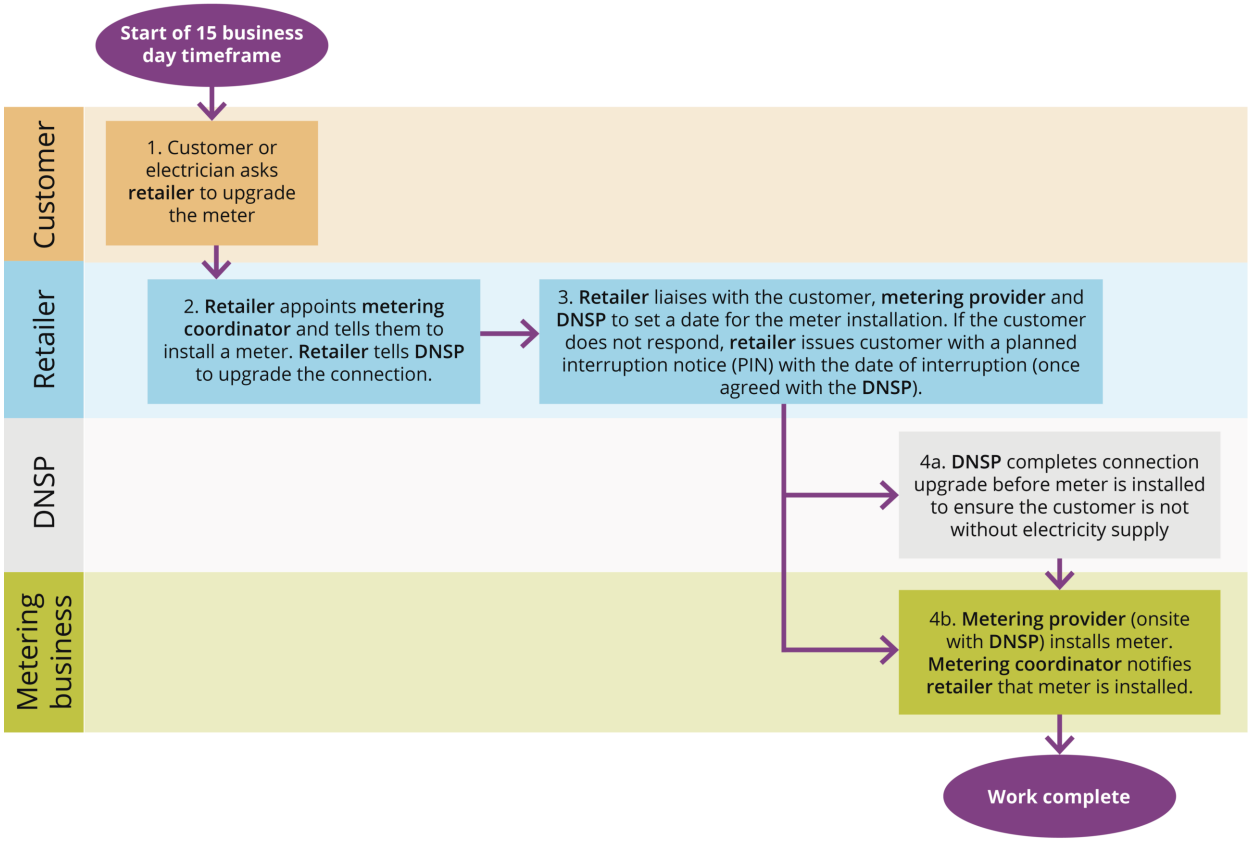
The timeframe of 15 business days will start once the retailer has received a request from an existing small customer to exchange the meter.[117] Under the draft rule, the retailer will be required to inform the DNSP of the need for a connection upgrade within one business day of receiving the customer's request to exchange the meter.

The Commission considers that a timeframe of 15 business days is appropriate, noting that the installation steps are similar to other meter exchanges (including nominating the metering parties, where applicable, and sending a planned interruption notice to the customer). The difference is that the retailer and the DNSP will need to coordinate more closely in the case of a complex meter exchange in order to install a meter within this timeframe.

As noted earlier, where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, there will not be an explicit requirement for the retailer and agent to coordinate. This is because the party providing connection services can negotiate with the retailer on behalf of the customer regarding a more suitable installation date, if required.

117 As with other meter exchanges, a precondition to this is that the customer will need to provide consent for any terms and conditions that might accompany the metering installation, including any charges, before the timeframe starts.

Figure 4.3: Proposed installation timeframe for a meter exchange with a connection service



Note: The retailer will only need to appoint a new metering coordinator (in step 2) if the existing meter is an accumulation or manually read interval meter that is being replaced with an advanced meter. These timeframes do not apply when a small customer, retailer and DNSP have agreed to an alternative date for the installation.

4.5.4 Draft requirement to facilitate coordination

The Commission considers that effective coordination between industry parties is key to ensuring that a small customer's meter installation is quick and efficient.

The draft rule specifies that retailers and DNSPs must use AEMO's B2B e-hub to coordinate key stages of the installation of a small customer's meter[118] unless another method has been agreed between all parties. This should facilitate coordination by ensuring that consistent methods are used across networks and retailers to communicate with each other.

The draft rule does not include a requirement for accredited service providers or other electricians to communicate through the B2B e-hub. The Commission did not consider that this requirement was necessary, as these parties should act as an agent of the customer on behalf of their interests.

4.5.5 Exceptions to the meter installation timeframes

The draft rule applies a firm requirement on the retailer to meet the installation timeframe where an alternative date has not been agreed with the customer. The Commission considers that the draft rule should improve consumers' confidence in the meter installation process and agrees with the AER that a firm requirement would support the enforcement of the new obligations.

The Commission notes that there will be some circumstances where it is more difficult for retailers and metering parties to install a meter than others. For example, the meter may be at a multi-occupancy site, where an interruption to the power supply would affect a number of third party customers. The Commission is aware that industry, including retailers and metering parties, are collaborating with each other to develop a standard practice for cases where metering related works necessitate an interruption to the supply of third party customers, such as in multi-occupancies that are behind the same point of isolation.

The draft rule allows for retailers to gain an exception to the meter installation timeframe in limited circumstances to cover situations where:

- electrical or other safety constraints, such as the presence of asbestos, prevent work from proceeding
- the meter installation is at a multi-occupancy site, where an interruption to the power supply would affect third party customers
- extra work needs to completed at the site by a party other than the retailer or metering provider before the meter can be installed (e.g. a larger metering board is needed)
- the site is not accessible (for example, where the customer does not grant access).

In these cases, the retailer should provide assistance to the small customer to resolve the issue, for example, by explaining why the installation cannot proceed and what the customer may need to do. Once the retailer has been notified that the issue causing the exception has

118 Coordination in this context includes notifying each other of work completed and lodging relevant service orders.

been resolved, the time for the installation will be (as applicable) on a new date as agreed with the customer or the timeframe will restart from the beginning.

The Commission expects that the AER may report on the use of exceptions by industry as part of its quarterly compliance monitoring and enforcement reports.

4.5.6 Compliance and enforcement

As discussed in Chapter 3, delays in the installation of meters can cause significant harm to small customers. The Commission considers that civil penalties may act as a deterrent to non-compliance and therefore reduce delays in the installation of meters.

It is important to note that the Commission cannot create new civil penalty provisions. However, the Commission can recommend to the COAG Energy Council (jointly with the AER) that new or existing provisions of the NER or NERR be classified as civil penalty provisions. The Commission's recommendation will be made on this basis.

4.5.7 Informing customers of the timeframes for meter installations

The draft rule requires retailers to inform small customers of the new requirements on retailers and DNSPs. This new provision to be included in the NERR is designed as a complementary measure to the meter installation timeframes, noting it is important for small customers to be made aware of any protections they may have under the rules.

The notification which must be published on the retailers website will need to cover the obligations as specified in the draft rule which in summary includes:

- maximum timeframes for retailers to provide a meter installation where the installation has been requested by a small customer
- if the customer agrees with the retailer[119] to an alternative date for the meter to be installed, the installation timeframe is as agreed
- that the timeframes will not apply in certain circumstances.

119 and DNSP, where applicable, for complex meter exchanges

5 TIMEFRAMES FOR RECTIFYING A MALFUNCTIONING METER

This chapter outlines the draft requirement on metering coordinators to replace or repair a small customer's malfunctioning meter as soon as practicable, but no later than 15 business days after the metering coordinator has been notified of the meter installation malfunction.

The draft rule retains the current provisions that allow the metering coordinator to obtain an exemption from the timeframe requirement.

5.1 Current arrangements

The *Competition in Metering* rule imposed requirements on the metering coordinator to arrange for the repair or replacement of a malfunctioning meter:

- no later than ten business days for most meter installations, including those used by small customers
- no later than two business days for certain types of meters used by large customers.[120]

These timeframes begin when the metering coordinator is notified of the meter installation malfunction.[121]

The NER makes some allowance for cases where the timeframe cannot be met. Under the rules, if the metering coordinator is aware that the malfunction cannot be rectified within the applicable timeframe, it may apply to AEMO for an exemption.[122] Once an exemption is granted, the metering provider must provide AEMO with a plan for the rectification of the malfunction. These arrangements are designed so that the metering malfunction is rectified as soon as practicable.

AEMO has advised that, when the meter installation is designed for use by a small customer, exemptions are typically granted if:[123]

- the requirements on retailers to provide a planned interruption notice do not provide sufficient time for the metering provider to rectify the malfunction
- the customer requires the metering provider to perform the rectification at a date outside of the timeframe
- there are safety, logistical or other practical reasons which prevent the malfunctioning meter from being replaced within the timeframe
- the metering coordinator has identified large volumes of malfunctioning meters that cannot be rectified in the standard timeframe due to the scale and planning required (e.g. a group of meters have failed sample testing processes and need to be replaced).

120 That is, type 1, 2 and 3 meter installations. These are meter installations that allow electricity flows above 0.75 GWh per annum.

121 See rule 7.8.10(a) of the NER.

122 Under the NER, there are also requirements on registered participants, metering providers and metering data providers to notify the metering coordinator within 1 business day if they become aware of a metering installation malfunction that cannot be rectified within the applicable timeframe.

123 AEMO, submission to the consultation paper, p. 3.

5.2 AEC's view

In its rule change request, the AEC raised the concern that some of the obligations that were transferred from DNSPs to retailers and metering coordinators in the *Competition in Metering* rule are taking longer to complete now that more participants are involved in the installation process.[124] It suggested that replacing a small customer's meter typically takes between 11 and 18 business days after the metering coordinator has been notified of the malfunction.

The AEC attributed the longer timeframe under metering contestability, in part, to:

- the requirement that a retailer must provide at least four business days' notification to affected customers of the interruption. Electronic communication can provide this notice immediately, but by post may take an additional two to six business days.[125]
- the need for the metering parties to change when the faulty meter is an accumulation or manually read interval meter that needs to be replaced. Under current AEMO procedures, metering roles (including the metering coordinator and metering provider) are appointed sequentially, with mandatory objection periods of one day applying whenever a change request is initiated.[126]

To address this issue, the AEC proposed that the existing 10 business day timeframe for most meter types, including those used by small customers, be extended to 20 business days.[127] It did not propose to alter the two business day timeframe that exists for certain types of meters used by large customers.

The AEC considered that extending the timeframe for most types of meter installations would not affect the service being provided to customers. Rather, it would reflect the practical steps and required timeframes for replacing a small customer's faulty meter and provide retailers and metering coordinators with a reasonable opportunity to comply with the rules.

5.3 Stakeholder views

Retailers and metering businesses were supportive of the AEC's proposal to extend the timeframe for rectifying a malfunctioning meter from 10 to 20 business days.[128] They were of the view that replacing a faulty meter within 10 business days is not feasible due to current steps required, including those required by AEMO procedures as well as the need to notify customers of a planned interruption.

The South Australian Department for Energy and Mining, AEMO and the AER were supportive of the AEC's proposal on the condition that:

124 AEC, Rule change request, *Metering installation timeframes*, p. 5.

125 Under rule 59C of the NER.

126 AEC, Rule change request, *Metering installation timeframes*, p. 6 .

127 The rule change request included proposed changes to rule 7.8.10 of the NER.

128 Consultation paper submissions: EnergyAustralia, p. 4; Vector, p. 6; SA Department for Energy and Mining, p. 3; AGL, p. 1; Powershop, p. 2; Origin, p. 2; Energy Queensland, pp. 7-8; Plus ES, p. 4.

- the timeframe should only be extended for meter installations used by small customers. AEMO recommended that the 10 business day requirement be maintained for advanced meters used by larger customers, noting that the current arrangements work well.[129]
- a longer timeframe should only be allowed in cases where the customer's supply has not been affected.[130] The AER was of the view that rules should be amended to include the bridging of meters by DNSPs in cases of supply outage.[131]
- the timeframe should be 15 business days. This would allow sufficient time for retailers to effect repairs or replace a malfunctioning meter, without significantly impacting on market settlement processes.[132]

Energy ombudsmen were not in favour of lengthening the timeframe to repair or replace most types of malfunctioning meters.[133] EWOSA also advocated that, where a faulty meter has resulted in the loss of power, the rules should specify that replacement of the meter must occur on the day the retailer or distribution network service provider is notified.[134]

5.4 Analysis

Under the draft rule, metering coordinators must replace or repair a small customer's malfunctioning meter as soon as practicable, but no later than 15 business days after they have been notified of the meter installation malfunction.

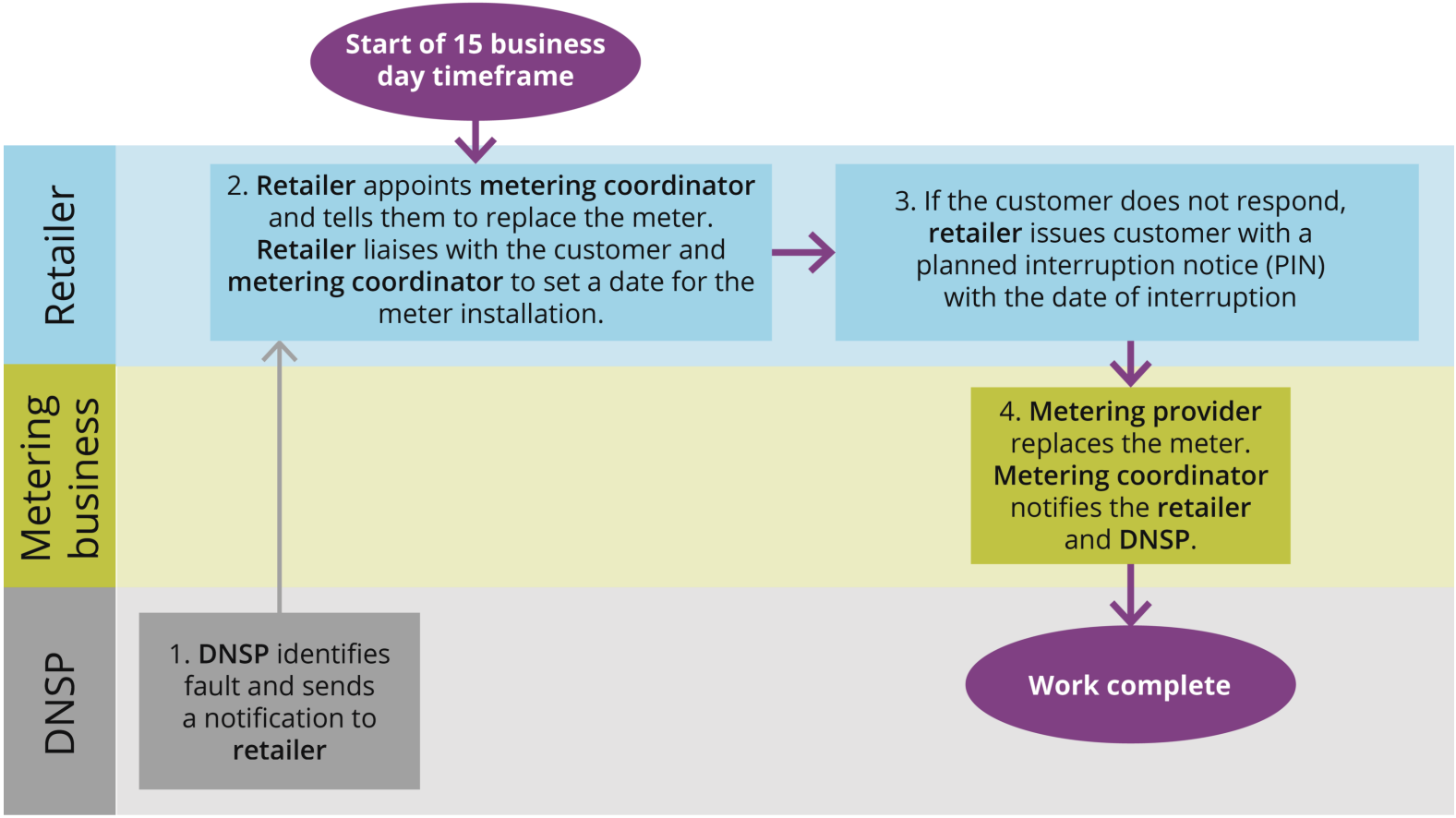
The draft rule harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with those for customer initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires coordination between several parties.

The Commission understands that, since the introduction of metering contestability, AEMO has granted a number of exemptions to metering coordinators seeking to extend the timeframe in which to replace a malfunctioning meter. The new obligations also recognise that meter installations can take longer than 10 business days, given the need for coordination between multiple parties.

The Commission is not aware of any cases of complaints that malfunctioning meters are leading to customers being left off supply. All DNSPs have agreed to 'bridge' the meter to maintain supply if the meter malfunction could have an impact on continued electricity supply for the customer.

129 AEMO, submission to the consultation paper, pp. 2-4.
130 SA Department for Energy and Mining, submission to the consultation paper, p. 3.
131 AER, submission to the consultation paper, p. 3.
132 AER, submission to the consultation paper, p. 3
133 Consultation paper submissions: EWOQ, p. 2; EWON, p. 4.
134 EWOSA, submission to the consultation paper, p. 4.

Figure 5.1: Proposed installation timeframe to replace a small customer's malfunctioning meter



Note: These steps illustrate the case where an accumulation or manually read interval meter malfunctions and needs to be replaced with an advanced meter.

5.4.1 Measures to improve the installation process

The Commission does not consider that it is necessary to extend the timeframe to 20 business days, as proposed by the AEC. The draft rule includes a range of measures to streamline the installation process, which should make it easier for retailers to install meters quicker and more efficiently. These measures include changing the notification requirements regarding retailer planned interruptions to make them more flexible (see Chapter 6).

In its submission to the consultation paper, AEMO advised that it could streamline the appointment process for metering parties in certain circumstances. In particular, it considered that the objection period for metering role changes should be reduced to zero days in cases where an existing accumulation or manually read interval meter needs to be replaced with an advanced meter. This would apply where the existing meter is faulty, as well as for other meter exchanges initiated by small customers. AEMO noted that the DNSP is unable to continue in the metering coordinator role in these circumstances and therefore is unlikely to object to the appointment.[135]

The Commission agrees with this recommendation, on the basis that it should assist in reducing the time it takes to install a meter.

> RECOMMENDATION 1: STREAMLINING THE APPOINTMENT PROCESS FOR METERING ROLES
>
> The Commission recommends to AEMO that it streamlines the appointment process in its Market Settlement and Transfer Solutions (MSATS) system for metering parties in certain circumstances.
>
> We consider that the objection period for metering role changes should be reduced to zero days in cases where an existing accumulation or MRIM meter needs to be replaced with an advanced meter.

5.4.2 15 business days' timeframe only applies to metering installations for small customers

The draft rule only extends the timeframe to repair or replace a malfunctioning meter that is used by a small customer. As noted above, AEMO recommended that the 10 business day requirement be maintained for advanced meters used by larger customers, noting that the current arrangements work well. The Commission agrees with this position.

The draft rule specifies that the metering coordinator must arrange for the repair or replacement of a small customer's malfunctioning meter within 15 business days of having been informed of the malfunction.[136]

135 AEMO, submission to the consultation paper, pp. 3-4.

136 That is, type 4S, 4A, 5 or 6 meters.

For completeness, the draft rule does not change the existing timeframe to repair or replace a malfunctioning meter for other customers.[137] In those circumstances, the timeframe will remain as follows:

- no later than two business days for certain types of meters used by large customers[138]
- no later than ten business days for all other meter installations, including some advanced meters used by large customers.

5.4.3 Draft rule to retain the current exemption framework

The draft rule retains the metering coordinator's ability to seek exemption from AEMO where the timeframe cannot be met. Under the draft rule, if the metering coordinator is aware that the malfunction cannot be rectified within the applicable timeframe, it may apply to AEMO for an exemption. Once an exemption is granted, the metering provider must provide AEMO with a plan for the rectification of the malfunction.

The Commission considers that this framework is fit-for-purpose and should continue into the future. It is appropriate for AEMO to govern exemptions to the timeframe for replacing or repairing a malfunctioning meter, given the consequential impact that a faulty meter can have on market settlement.

137 That is, customers that do not have a type 4S, 4A, 5 or 6 meter.

138 That is, type 1, 2 and 3 metering installations. These are metering installations that allow electricity flows above 0.75 GWh per annum.

6 PLANNED INTERRUPTION NOTICES

This chapter outlines:

- draft amendments to the notification requirements on retailers regarding planned interruption notices (PINs) under the NERR, which will allow customers the flexibility to agree with their retailer a date for metering related works that requires an interruption to the customer's electricity supply
- the reasons for retaining the current consumer protections with regard to:
  - the obligations on retailers to provide a PIN to a large customer where their electricity supply is affected by a retailer planned interruption
  - the requirement for retailers to provide a 24 hour telephone number for enquiries about retailer planned interruptions.

Under the draft rule, the retailer may engage with the customer in the first instance to find a suitable time for the meter installation. This engagement can occur in any form; however, if a date is agreed, then the retailer must retain evidence of the customer's consent for at least seven years. If the retailer is unable to contact the customer, then the retailer will need to provide a minimum of four business days' notice to the customer of a planned interruption.

The draft rule is proposed to apply to both small and large customers.

6.1 Current arrangements

The *Competition in metering* rule included a number of consumer protections. One of these protections was to require retailers to provide prior notice to customers before they conduct a planned interruption to their electricity supply.

Under the NERR, retailers are able to arrange for an interruption to their customer's electricity supply without the involvement of the distribution network service provider (a 'retailer planned interruption') where the interruption:[139]

- is for the purposes of installing, maintaining, repairing or replacing an electricity meter
- does not involve interrupting the supply of electricity to a customer that is not the customer of the retailer arranging the interruption.

6.1.1 Planned interruption notices for small and large customers

The obligations in the NERR relating to planned interruption notices were modelled after those that applied to DNSPs prior to the commencement of the *Competition in metering* rule.

The NERR specifies that a retailer may arrange a planned interruption of a customer's electricity supply once they have provided advance notice to the customer of the interruption. This notice must be provided at least four business days before the date of the interruption, and must include:[140]

139 Rule 59B of the NERR. A retailer planned interruption does not include de-energisation for non-payment or other reasons specified under Part 6 of the NERR.

140 Clauses 59C(2) and 59C(4) of the NERR.

- the expected date, time and duration of the retailer planned interruption
- a 24 hour telephone number for enquiries (the charge for which is no more than the cost of a local call)
- a statement that any enquiries about the interruption are to be directed to the retailer.

These obligations apply to retailer planned interruptions for all customers. For life support customers, the four business days' notice is to be provided in writing and must be counted from, but not include, the date of receipt of the notice.[141] Civil penalties provisions currently apply to this rule requirement.

Under the NERR, retailers must also notify the DNSP at least four business days before a retailer planned interruption.[142]

6.1.2 24-hour phone line

As noted above, when a retailer provides an affected customer with a PIN, it must also include a 24 hour telephone contact number for enquiries related to the planned interruption.[143] The Commission notes that the NERR does not require that retailer planned interruptions only occur during business hours.

From 1 February 2019, new requirements specify that retailers must also provide life support customers with a 24 hour emergency telephone contact number.[144]

Similar requirements apply to DNSPs under the NERR. DNSPs must provide customers with a 24 hour telephone contact number for enquiries related to DNSP led planned interruptions and unplanned interruptions.[145] The DNSP must also provide life support customers with a 24 hour emergency telephone contact number.[146]

6.2 AEC's view

6.2.1 Planned interruption notice for small customers

The AEC was of the view that the current requirement for retailers to provide customers with at least four days' notice of a planned interruption is inflexible and can cause unnecessary delays in the installation process. The AEC stated that the current procedures do not recognise:[147]

- circumstances which could necessitate an agreed change in appointment between the retailer (or metering provider) and the customer. For example, where a customer cancels an installation, the most efficient response may be for the metering provider to schedule another job within the geographical proximity, subject to the customer's consent. The

141 Clause 124(1)(f) of the NERR.
142 Clause 99A(1)(b) of the NERR.
143 Clause 59(4)(b) of the NERR.
144 This requirement will commence on 1 February 2019 under the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017.
145 Clauses 90(2)(b) and 91 of the NERR.
146 Clause 125(2)(f) of the NERR
147 AEC, Rule change request, *Metering installation timeframes,* pp. 3-5.

AEC is of the view that this cannot happen under the current rules, given the four day notice requirement.

- that a customer may support having the option to agree on an alternative date for a planned interruption even if this date was within the minimum four day business period.

To resolve this, the AEC proposed that the following provisions be added to Rule 59C of the NERR:[148]

> (5) The period in which a retailer must notify a customer of a planned interruption may be varied by agreement between the retailer and the customer. This agreement must include the following:
>
> (a) the new period in which the retailer must notify the customer of a planned interruption;
>
> (b) the expiry day for the agreement;
>
> (c) the types of planned interruptions applying to the agreement;
>
> (6) The record must be in a format and include such information to enable the AER to verify the retailer's compliance with this rule; and the retailer to answer enquiries from a customer relating to the agreement.

The AEC considered that the proposed changes would provide small customers with greater flexibility and control over the timing of planned interruptions, which it considered to be particularly important for life support customers. It would also enable meters to be installed in a more timely and efficient manner, ultimately lowering costs for the industry and consumers.[149]

Malfunctioning meters

In the case where a small customer has a malfunctioning meter, the rule change request proposed that the metering coordinator should not be subject to a maximum timeframe to replace or repair the meter if the customer has agreed to an alternative PIN.[150] The AEC expressed concerns that under the current arrangements, where a customer requests a planned interruption date beyond the four day notification period, the metering coordinator may be in breach of their 10 business day timeframe under the rules.

6.2.2 Planned interruption notice for large customers

The AEC proposed removing the current requirement on retailers to provide a PIN to a large customer where their electricity supply is affected by a retailer planned interruption. [151]

The AEC considered that the current PIN provisions provide limited benefit to large customers. It was of the view that most large customers have current transformer (CT)

148 AEC, Rule change request, *Metering installation timeframes,* p. 14
149 AEC, Rule change request, *Metering installation timeframes*, pp. 5, 9.
150 ibid.
151 Small customers including life support customers.

connections, which means they do not experience an outage when their meter is being maintained or replaced.

The AEC suggested that information about which connections are CT connections is not readily available to the retailer and, as a result, retailers must assume that metering work at any large customer site will cause an outage for the large customer. This would mean that retailers must therefore provide a PIN to customers that do not require one.

The AEC claimed that meter replacement for large customer sites did not have any issues prior to the commencement of the new arrangements under the *Competition in metering* rule. It also considered that removing these requirements would reduce the administrative costs of the notification process for retailers.[152]

6.2.3 24 hour phone line

The AEC proposed that retailers should only be required to provide a telephone contact number to address enquiries about retailer planned interruptions during business hours. While the AEC considered an emergency telephone contact number for life support customers to be appropriate and necessary, it did not consider it necessary to provide a 24 hour telephone contact number for other customers.

The AEC argued that enquiries to the retailer about planned interruptions are likely to be from customers seeking more information about the outage or wanting to change the appointment time, rather than about emergency issues. The AEC considers these types of enquiries are best addressed during business hours.[153]

The AEC considered that this change would reduce customer confusion without impacting on the necessary requirements for life support customers. These requirements include obligations for the life support customers to be provided with an emergency telephone contact number for the retailer and the distribution network service provider. The DNSP would also continue to provide a 24 hour telephone contact number to all customers for unplanned outages.[154]

The AEC considered that customer satisfaction may improve if customer enquiries about planned interruptions are able to be addressed during business hours. The proposal would also reduce the costs for retailers of maintaining a 24 hour telephone contact number for planned interruptions.[155]

152 AEC, Rule change request, *Metering installation timeframes*, p. 8.
153 AEC, Rule change request, *Metering installation timeframes*, pp. 7-8.
154 Under clause 91 of the NERR.
155 AEC, Rule change request, Metering installation timeframes, p. 8.

6.3 Stakeholder views

6.3.1 Planned interruption notices for small customers

A number of stakeholders were supportive of the AEC's proposal, on the basis that allowing the customer and the retailer to agree on a time for a planned interruption would reduce installation delays.[156] Comments included that:

- the proposal would speed up installations in the case where customers need to reschedule or where there is bad weather. Currently, the meter installation can be prolonged even when a technician is available, due to the need for a retailer to issue another PIN.[157]
- the current requirements often led to metering coordinators scheduling installations conservatively because of the lack of flexibility to change the date, which contributes to delays.[158]

Several submissions argued that the added flexibility is particularly beneficial for the customer.[159] EnergyAustralia was of the view that customers often do not understand why they need a notification four business days' in advance of the planned interruption for metering related works, leading to complaints over the installation delay.[160] AGL was of the view that a majority of customers prefer their meter installation to be as prompt as possible and view advance notice of a planned interruption as a secondary concern.[161]

Other retailers suggested the AEC's proposal may reduce retailer costs, by lowering the number of wasted truck visits and the resending of notices for rescheduled appointments, and increasing the general efficiency of installations.[162] AGL expressed the view that the AEC proposal could also encourage retailers to be more proactive in engaging in new meter deployments.[163]

Implementation of the AEC's proposal

Stakeholders had a range of views regarding the implementation of the AEC's proposal. Comments included that:

- if a customer has initiated the metering service works or has requested a new time directly with the metering provider, then the retailer should not have to send out a PIN.[164] Customers should also be allowed to choose to waive their right to planned interruption

156 Consultation paper submissions: AGL, p. 1; Aurora Energy, p. 2; EWON, p. 4; EWOSA, p. 5; EWOQ, p. 3; Master Electricians Australia, p. 2; Origin, p. 2; Powershop, p. 3; Plus ES, p. 1-2; Red Lumo, p. 1; SA Department for Energy and Mining, p. 3; TasNetworks, p. 1.

157 Consultation paper submissions: Australian Energy Council, p. 2; AGL, p. 8; EnergyAustralia, p. 7-8; ERM Power, p. 3; Simply Energy, p. 1; Endeavour Energy, p. 4; Powershop, p. 4; Origin, p. 2; Jemena, p. 6; TasNetworks, p. 3; Vector, p. 6

158 AGL, submission to consultation paper, p. 9.

159 Consultation paper submissions: AGL, p. 9; EnergyAustralia, p. 7; EWON, p. 4.

160 EnergyAustralia, submission to consultation paper, p. 7.

161 AGL, submission to consultation paper, p. 9.

162 Consultation paper submissions: Australian Energy Council, p. 4-5; EnergyAustralia, p. 8-9; Origin, p. 2; Red Lumo, p. 5; TasNetworks, p. 3.

163 AGL, submission to consultation paper, p. 9-10.

164 Plus ES, submission to consultation paper, p. 5.

communication, so that the installation can be done as soon as an installer can attend their property.[165]

- the metering provider should be able to obtain agreement with the customer on behalf of the retailer. [166]

Stakeholders also had views on how to ensure that customer consent is provided for an installation date. These included that retailers should be required to record any agreement made with the customer for compliance and enforcement purposes.[167] EWOSA considered that communication should occur through the customer's preferred method.[168]

Life support customers

The AER opposed the AEC's proposal applying to life support customers, arguing that this cohort of customers is particularly vulnerable and that the current protections associated with planned interruption timeframes are important in order to adequately cater to their needs.[169] AGL proposed that life support customers should continue to following the existing planned interruption communication process that notifies the customer of a single day when the meter exchange will be occurring.[170]

In contrast, most other retailers and metering businesses were generally supportive of the proposal applying to life support customers.[171] EnergyAustralian noted that jurisdictional energy ombudsmen have received complaints from life support customers about delays in meter installations due to the PIN process.[172]

6.3.2 Planned interruption notices for large customers

Retailers and metering businesses were generally of the view that large customers do not require a planned interruption notice. Comments included that:

- retailers typically set up an appointment time with their large customers to ensure that any supply interruptions occur at a suitable date and time, meaning a PIN only functions as an administrative requirement[173]
- the metering provider should agree on an outage time with the customer without having to manage specific PIN processes with the retailer[174]
- the majority of large customers are CT connected, which allows metering work to be completed without resulting in a supply interruption to the customer.[175]

165 EnergyAustralia, submission to consultation paper, p. 9.
166 Plus ES, submission to consultation paper, p. 5.
167 Consultation paper submissions: AER, p. 3; Plus ES, p. 2; EnergyAustralia, p. 8; TasNetworks, p. 2.
168 EWOSA, submission to consultation paper, p. 5.
169 AER, submission to consultation paper, p. 3.
170 AGL, submission to consultation paper, p. 1.
171 Consultation paper submissions: EnergyAustralia, p. 8; EWON, p. 5.; ERM Power, p. 3; Simply Energy, p. 1; Endeavour Energy, p. 4; Powershop, p. 4; Origin, p. 2; Jemena, p. 6; TasNetworks, p. 3.
172 EnergyAustralia, submission to consultation paper, p. 8.
173 Energy Australia, submission to the consultation paper, p. 9.
174 Energy Queensland, submission to consultation paper, p. 11.
175 Plus ES, submission to consultation paper, p. 2-3.

Energy Queensland stated that, in their experience, many large customers that operate small businesses have installations which are metered by whole current (WC) metering, and require outages to install, test and maintain meters. Such customers typically prefer for the outages to take place out of hours or during maintenance periods to minimise impacts to their business operations.[176]

Jurisdictional energy ombudsmen opposed the AEC's proposal, on the basis that it could impose substantial costs on large customers that do not have CT meters.[177] Interruptions to a large customers' electricity supply without advance notice could leave them with losses associated with spoiled stock, reduced production and potential damage to machinery.[178]

6.3.3 24 hour phone line

Retailers were generally of the view that only life support customers require the provision of a 24 hour telephone contact number, and that other enquiries could be made during business hours.[179] Comments included that:

- If a customer loses power supply, the DNSP is the most suitable and best placed party to remedy the situation. This phone line may confuse customers who have a fault or emergency and need to contact the DNSP.[180]
- Emergencies rarely relate to metering or life support needs, so customers predominately do not need to contact retailers for these issues outside of business hours.[181]
- Having retailers' resource a call centre for 24 hour enquiries is not financially sustainable, especially for small retailers or new entrants.[182]

The AER had some concerns regarding the proposal, and noted that it is important for customers to have access to after-hours support in situations where metering related works has resulted in a customer being left without electricity supply.[183]

Jurisdictional energy ombudsmen generally opposed this proposal. Their comments included that:

- Many customers do not have the flexibility of contacting a retailer during business hours. If a planned interruption took place outside of business hours and/or lasted longer than the customer had been informed that it would, and customers who were unexpectedly being left off electricity supply (after business hours) would not have any recourse to the retailer.[184]

176 Energy Queensland, submission to consultation paper, p. 11.
177 Consultation paper submissions: EWOSA, p. 6; EWOQ, p. 4
178 EWOSA, submission to consultation paper, p. 6.
179 Consultation paper submissions: EnergyAustralia, p. 9; Powershop, p. 6.
180 Consultation paper submissions: EnergyAustralia, p. 9; Powershop, p. 6.
181 ibid.
182 Powershop, submission to consultation paper, p. 6.
183 AER, submission to consultation paper, p. 4.
184 EWOQ, submission to consultation paper, p. 4.

- A retailer may use the same resources to operate a 24 hour telephone contact number for planned interruptions as it would to use operate a 24 hour telephone contact number for life-support customers.[185]

6.4 Analysis

6.4.1 Planned interruption notices for small customers

The Commission considers that customers should not have their electricity supply interrupted without being informed in advance. The requirement on retailers to notify customers of a retailer planned interruption is an important consumer protection under the NERR.

Under the draft rule, the retailer will may engage with the customer in the first instance to find a suitable time for the meter installation. This engagement can occur in any form, as long as the retailer retains evidence of customer consent. If the retailer is unable to contact the customer, then the retailer will need to provide a minimum of four business days' notice to the customer of a planned interruption.

The draft rule provides retailers with the flexibility to conduct planned interruptions at shorter notice, as long as the customer consents. The Commission agrees with the AEC that allowing the customer and the retailer to agree on a date for a planned interruption would provide customers with greater flexibility and control over the timing of planned interruptions, and may reduce instances of meter installation delays.

The Commission is also of the view that it is important to ensure that an option remains for a retailer planned interruption to be organised if a retailer is not able to contact a customer to arrange a mutually agreeable time. The draft rule is proposed to apply to both small and large customers.

Life support customers to have flexibility

The Commission considers that life support customers should have the flexibility to agree on a date for metering related works with their retailer if they choose to do so. Indeed, there may be circumstances where it is more important for life support customers to have control over the timing of a planned interruption than other small customers.

Under the draft rule, current provisions in the NERR that provide additional protections for life support customers will continue to apply. If a retailer is not able to contact a life support customer, the retailer will be required to provide a minimum of four business days' written notice of the planned interruption. The four business days' notice will continue to be counted from, but will not include the date of receipt of the notice.

In addition where a life support customer agrees with the retailer on a date for the retailer planned interruption, the retailer must give the life support customer written notice of the expected time and duration of the interruption and specify a 24 hour telephone number for enquiries.

Draft rule to require retailers to inform the distribution network service provider

185 Consultation paper submissions: EWOSA, pp. 5-6; EWON, p. 5.

As discussed above, the NERR currently requires retailers to notify the DNSP at least four business days before a retailer planned interruption, including with details of the connection point and address of the premises affected by the interruption.

The draft rule retains the requirement for retailers to inform the DNSP of a retailer-led planned interruption. Where the retailer and customer have come to an alternative agreement regarding the date of the planned interruption, the retailer will be required to notify the DNSP of the agreed-upon date on the same business day.

Timeframes on replacing malfunctioning meters continue to apply

In the case where a small customer has a malfunctioning meter and has agreed with the retailer to a planned interruption that is later than the timeframe mandated in the rules, the metering coordinator will still need to apply to AEMO for an exemption.

Under the draft rule, if the retailer and small customer have agreed to a planned interruption that is more than 15 business days after the metering coordinator has been notified of a fault in respect of a meter installed at a small customer's premises, then the metering coordinator will need to apply to AEMO for an exemption to the timeframe. The Commission considers it is necessary for AEMO to continue to have oversight of such cases, given the potential impacts on market settlement of a malfunctioning meter that is no longer recording energy data.

6.4.2 Planned interruption notices for large customers

The draft rule extends to large customers the same ability to agree with a retailer on a date for a planned interruption notice, even if this date provides the customer with less than four business days' notice that a planned outage for metering related works will occur. Retailers may engage with affected large customers and obtain consent for a date for the planned interruption. If the retailer does not receive contact from the customer, then the retailer will need to issue a PIN providing at least four days' notice to the affected large customer.

The Commission considers the draft rule would provide increased flexibility for both retailers and large customers while providing an appropriate level of consumer protection. Removing the requirement to provide large customers with a planned interruption notice creates a risk that these customers do not receive sufficient warning of an interruption to their supply and, as a result, will not have adequate time to prepare for an interruption.

AEMO has informed the Commission that it is possible for retailers and metering parties to determine which large customers have CT metering through its MSATS system. The NERR specifies that a planned interruption notice is only required to be provided to affected customers in cases where their electricity supply is interrupted. As large customers with CT connections do not experience a power outage when the meter is being maintained or replaced, they do not need to be issued with a PIN under the current rules.

For this reason, the Commission supports the continued requirement for PINs to be issued to large customers, as this requirement provides necessary notice for large customers whose supply would be affected by a retailer planned interruption.

6.4.3 24 hour phone line

Under the draft rule, retailers will continue to be required to provide a 24 hour telephone contact number for all enquiries related to retailer planned interruptions if the retailer has not obtained the customer's consent for the interruption to occur on a specified date. They will also be required to provide an emergency telephone contact number for life support customers from February 2019, in line with the current obligations under the NERR.

The Commission notes that while DNSPs are currently required to provide a 24 hour telephone contact number, this service is only for enquiries related to DNSP led planned interruptions or unplanned interruptions.[186] This enquiry line is not for customers that experience a retailer planned outage for metering work.

Timing of retailer planned interruptions

There is no provision in the NERR preventing retailer planned interruptions from occurring outside of business hours. The Commission considers there is a risk that, if the AEC's proposal was adopted, then a small customer may not have a method to reach the retailer during a planned interruption outside of business hours. In addition, we consider that some customers may have difficulty contacting a retailer to inquire about a planned interruption during business hours.

Stakeholders, such as the AER and EWOSA, raised concerns that removing the 24 hour phone line may deny customers necessary after-hours support in cases where metering related works have left them without electricity supply. As noted in Chapter 3, the Commission is aware of cases where customers have had trouble contacting their retailers when metering related works have left them without electricity supply. This situation would likely worsen if retailers were only required to provide a telephone contact number for enquiries during business hours.

Life support customers

The Commission considers that the requirement to have a 24 hour phone line for enquiries about retailer planned interruptions, in addition to one for life support enquiries, is not likely to create confusion to life support customers in the case of an emergency.

When a life support customer informs a retailer that they have life support equipment, the retailer is currently obliged to provide the customer with an emergency contact number for the DNSP, and from February 2019 onwards an emergency contact number for the retailer.[187] Provided in this context, this information would be unlikely to be confused with an enquiry telephone number regarding planned interruptions that would be provided on a separate occasion and in a notice specifically related to planned interruptions.

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186 Clauses 90(2)(b) and 91(a) of the NERR. Retailers must also provide life support customers with a 24 hour emergency telephone contact number under clause 124(1)(f) of the NERR.

187 Clause 124(1)(e) of the NERR. This requirement will commence on 1 February 2019 under the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017.

7 CUSTOMER ENGAGEMENT IN NEW METER DEPLOYMENTS

This chapter outlines the Commission's reasons for not making a draft rule in relation to proposed changes to opt out arrangements for retailer new meter deployments.

7.1 Current arrangements

The *Competition in metering* rule allowed a retailer to undertake a 'new meter deployment' of advanced meters to its small customers.[188] For example, a retailer may see operational efficiencies that could be achieved through remotely reading meters and providing consumers with faster disconnection and reconnection services at no extra cost to the consumer. In this situation, the new advanced meter would replace an existing, functioning meter.

As noted in chapter 7, advanced metering has the potential to provide a number of benefits to consumers, the market and the electricity system as a whole. The deployment of advanced meters by retailers can help realise these benefits more quickly, and possibly at a lower cost, than what could be expected if consumers had to actively opt in through bundled energy and metering products and services.

As part of the *Competition in metering* rule, the Commission was of the view that retailers should be able to deploy meters that meet the minimum services specification to their customers where they see a business case to do so, but that consumers should also be provided with appropriate consumer protections.

7.1.1 Notification to customers of a new meter deployment

To protect consumers, the NERR allows for small customers to opt out of a new meter deployment and retain their existing meter, and sets out a notification process for the retailer to provide customers with the option.

The retailer must provide two written notifications to the customer prior to the installation of an advanced meter:[189]

- the first no earlier than 60 business days and no later than 25 business days before the proposed meter replacement
- the second no earlier than ten business days after the first notice and no later than 15 business days before the proposed meter replacement.

The initial notice must state, amongst other things: that the small customer may opt out of the new meter deployment; the way in which the customer may exercise their right to opt

188 A new meter deployment is the replacement of an existing electricity meter which is arranged by the retailer, where the replacement is not: at the request of the customer to enable the provision of a product or service; a maintenance replacement; or as a result of a metering malfunction. The requirement on retailers to notify customers of a new meter deployment is set out in rule 59A of the NERR.

189 Clause 59A(2) of the NERR.

out of the meter replacement; and any upfront charges the customer will incur under a retail contract as a result of the new meter deployment.[190]

The written notification process gives the customer sufficient information and time to make an informed decision about whether to opt out of the new meter deployment. A customer may choose to opt out at any time after receiving the first notice up until the date specified in the notification (known as the last 'opt out' date), which must be no earlier than seven business days before the proposed installation date.[191]

It is important to note that the retailer is not required to comply with these notification obligations if, under the terms of the small customer's market retail contract, the retailer is authorised to undertake the new meter deployment.[192]

If the retailer is carrying out a new meter deployment, the retailer planned interruption notice may be combined with the second notice that the retailer is required to provide to the customer regarding the meter deployment and the customer's right to opt out of that deployment.[193]

7.2 AEC's view

In its rule change request, the AEC considered that the current notification requirements for retailers deploying new meters to small customers are inflexible and may be confusing. This is because the current notification process must be followed even if the customer provides explicit consent to the new meter deployment after the first notice. The AEC is concerned that customers may be confused by the second opt out notification where they provide consent to the new meter deployment after the first notification.[194]

The AEC proposed that a customer should be able to agree to the new meter deployment at a time of their choosing, and waive the notification process. As a result, the retailer would not need to comply with the notification requirements set out in rule 59A of the NERR. The AEC envisaged that customers could provide their consent to the retailer to waive the second notification in any manner that can be verified for the purposes of compliance and enforcement.[195]

(8) The retailer is not required to comply with this rule if:

(a) under the terms of the small customer's market retail contract, the retailer is authorised to undertake the new meter deployment; or

(b) the small customer has advised their retailer that they authorise the retailer to undertake the meter deployment and waive their right to the 'opt out notice' process.

190 Clause 59(A)(3) of the NERR.
191 Clause 59(A)(3)(c) of the NERR.
192 Clause 59(A)(8) of the NERR.
193 Clause 59C(3) of the NERR.
194 AEC, Rule change request, *Metering installation timeframes*, p. 7.
195 AEC, Rule change request, *Metering installation timeframes,* p. 13

The AEC considered that the change may help to reduce customer confusion with the new meter deployment process and allow customers to choose how they will be engaged. It may also reduce the administrative costs associated with sending multiple letters to customers.[196]

7.3 Stakeholder views

Retailers and metering businesses were generally supportive of the AEC's proposal to allow customers to agree to a new meter deployment and waive the opt out notification requirements.[197] Comments included that:

- allowing customers to waive their opt out notifications may alleviate customer confusion and may reduce administrative costs for retailers[198]
- to obtain informed consent from a customer, retailers should be required to outline the consequences of a customer refusing a meter installation after providing consent to install a meter, such as fees for any retailer costs incurred.[199]
- retailers should be required to provide only one notification informing the customer of their right to opt out of a new meter deployment, for example, no earlier than 30 days before the installation, rather than providing two notices as required under the current arrangements[200]

EWOSA did not support AEC's proposal, but supported its aim of reducing the number of notices which the retailer would need to provide to customers under certain circumstances. EWOSA believed that customers being able to waive their right to the opt-out process completely creates the risk of customers agreeing to something that they are not fully informed about.[201] EWOSA instead proposed retailers should still be required to send the first notice to customers without being required to send the second one, as long as the customer provided explicit written informed consent for the deployment after the first notice.[202]

The AER and other jurisdictional ombudsmen opposed the AEC's proposal.[203] Comments included that:

- there is a risk with the AEC's proposal that the customer could agree to participate in a new meter deployment without being fully informed about it[204]
- the current arrangements provide customers with necessary consumer protections and opportunities to opt out of the new meter deployment[205]

196 AEC, Rule change request, *Metering installation timeframes*, p. 8.
197 Consultation paper submissions: AGL, p. 10; EnergyAustralia, p. 9; Energy Queensland, p. 9; Powershop, p. 5; Vector, p. 6.
198 Powershop, submission to the consultation paper, pp. 3 and 5.
199 Powershop, submission to consultation paper, p. 5.
200 EnergyAustralia, submission to consultation paper, p. 9.
201 EWOSA, submission to consultation paper, p. 5.
202 ibid.
203 Consultation paper submissions: AER, p. 4; EWON, p. 5;EWOQ, p. 3.
204 AER, submission to consultation paper, p. 4.
205 Consultation paper submissions: AER, p. 4; EWON, p. 5;EWOQ, p. 3.

- no customer or industry complaints have attributed delays in installing meters to the opt-out provisions.[206]

7.4 Analysis

The Commission has not made a draft rule in relation to the AEC's proposed changes to the small customer notification requirements for new meter deployments. Unless a small customer has waived their right to opt out of notifications under the terms of their market contract, retailers will continue to be required to provide two opt out notifications to small customers under the NERR.

The current process is an important consumer protection under the *Competition in metering* rule and is designed to provide retailers with a consistent and enforceable mechanism to notify small customers of a proposed new meter deployment. It was also designed to provide small customers with information on issues such as the associated charges and timing of the meter deployment, in order to enable them to make an informed decision about whether to opt out of the deployment. The Commission considers these are important customer protections that should be retained.

The Commission understands that currently, very few new meter deployments have been initiated by retailers. The AER has also indicated that it has not received any customer or industry complaint regarding the current opt out procedures. The Commission is of the view that there is currently no need to make changes to the notification process as there has been no conclusive evidence that this process is creating confusion.

The Commission notes that, prior to a new meter deployment, retailers are currently not required to send notifications to a small customer that has waived their right to receive opt out notifications as part of the terms of their market contract. EWON's submission mentioned that market contracts increasingly include a clause removing the customer's right to opt out from a new meter deployment.[207]

206 AER, submission to consultation paper, p. 4.

207 EWON, submission to consultation paper, p. 5.

8 IMPLEMENTATION OF THE RULE

This chapter sets out the proposed timetable for implementing the draft rule, including the interim steps that may need to be undertaken by retailers, DNSPs and metering parties before commencement of the rule.

8.1 Proposed commencement

The Commission proposes a commencement date of 1 January 2019 for the changes to Chapter 7 of the NER and new clause 56C of the NERR (relating to metering installation timeframes). This is approximately one month after the publication date for the final rule and determination.

The provisions related to retailer planned interruption notifications are proposed to commence on 6 December 2018.

In determining an appropriate commencement date, the Commission considered:

- the severe impact on small customers arising from delays in the installation of meters, including customers suffering from financial hardship, left without electricity supply or unable to access new electricity products and services
- the timeframes required by retailers, metering coordinators, DNSPs and AEMO to implement the new requirements in the draft rule.

The Commission is cognisant that the new obligations proposed to be placed on retailers and distributors may necessitate changes to their systems, processes and contractual relationships with other parties. However, those concerns need to be balanced against the costs of delaying implementation, including the substantial benefits to consumers that may arise from the draft rule.

Taking these factors into account, the Commission considered that a commencement date of 1 January 2019 for the metering installation timeframes is preferable. It should be noted that, the industry has already had a substantial amount of time to prepare for the metering contestability reforms; with the *Competition in metering* rule commencing December 2017, two years after the rule was made in November 2015.

The Commission has proposed that the provisions relating to retailer planned interruption notifications commence at the time of publication for the final rule and determination. These amendments are to provide retailers with the flexibility to conduct planned interruptions at shorter notice, where the customer consents. We are of the view that the provisions should commence at the earliest possible convenience, noting that the amendments would provide customers with greater flexibility and control over the timing of planned interruptions, and may reduce instances of meter installation delays.

8.2 Preparing for implementation

To implement the proposed rule, industry participants will be required to undertake a number of systems, process and contractual changes. This may include (but is not limited to):

- renegotiating contractual relationships between retailers and metering parties to take account of the timeframes, where necessary
- system changes to migrate to AEMO's B2B platform, unless another communication method is agreed between parties
- amending internal processes to account for the new obligations regarding planned interruption notifications
- amending communication materials to notify small customers of the new timeframes for customer initiated metering installations.

The Commission notes that AEMO, AER and AEMC staff have been working closely together to reduce implementation risks as far as possible. As a result, AEMO has already begun working on revising its processes to comply with the new rule.

9 ABBREVIATIONS

AEC	Australian Energy Council
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
ASP	Accredited service provider
Commission	See AEMC
DNSP	Distribution network service provider
ESCOSA	Essential Services Commission of South Australia
EWON	Energy and Water Ombudsman New South Wales
EWOQ	Energy and Water Ombudsman Queensland
EWOSA	Energy and Water Ombudsman South Australia
MCE	Ministerial Council on Energy
metering parties	Metering coordinator, metering data provider, or metering provider
MRIM	manually read interval meter
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National electricity objective
NER	National Electricity Rules
NERL	National Energy Retail Law
NERO	National energy retail objective
NERR	National Energy Retail Rules
NGL	National Gas Law
NGO	National gas objective
SAPN	South Australia Power Networks

A SUMMARY OF OTHER ISSUES RAISED IN SUBMISSIONS

This appendix sets out the issues raised in the first round of consultation on this rule change request and the AEMC's response to each issue. If an issue raised in a submission has been discussed in the main body of this document, it has not been included in this table.

Table A.1: **Summary of other issues raised in submissions**

STAKEHOLDER	ISSUE	AEMC RESPONSE
Supply outages		
Plus ES, p. 2	PLUS ES would also like to explore the concept of an "MC Planned Interruption" where, for the purpose of installing metering equipment, the MC would be allowed NMI discovery rights to identify third party customers that would be affected by the operation of a shared fuse and be allowed to negotiate temporary supply interruptions with the third party customers. The aim of this change would be to facilitate more efficient and timely installation of metering equipment, predominantly in multi-occupancy circumstances, by voiding the extra step of employing a "Network Planned Interruption".	The Commission is aware that industry, including retailers and metering parties, are collaborating with each other to develop a standard practice for cases where metering related works necessitate an interruption to the supply of third party customers, such as in multi-occupancies. We welcome any efforts to resolve an important issue, and may consider this issue in the future as part of a rule change.
Vector, p. 7	Metering coordinators should be given the right to interrupt supply for the purpose of performing metering related works. Currently, the rules prohibit the metering coordinator from interrupting supply to a customer that has not been given at least four business days' notice of a supply interruption either by the retailer or the	

STAKEHOLDER	ISSUE	AEMC RESPONSE
	distributor.	
Customer protections		
EWOQ, p. 3	Customers may also be required to continue to pay an ongoing service fee to have a meter provided in working order and any adjustment in the final rule change should consider the implementation costs for customers, as currently the rule is silent on costs for customers.	The Commission notes that under the metering contestability reforms, customers that have received advanced meters have not only received a meter that can support more services than under the previous regulated approach to metering, but they have also generally done so at no upfront cost. We do not consider that further regulation with regard to the price of metering services is necessary at this stage.
Other options to reduce installation timeframes		
Housing Industry Association, p. 3	Retailers are requested to develop on their website or through a portal, a means for customers to track the progress of their job from logging it to completion. This will ensure transparency and traceability for metering connections for customers. This has already been implemented for other services and the HIA is aware some electrical retailers have started to look at this.	The Commission does not consider that this needs to be a requirement in the Rules, as customers can currently contact their retailer to find out the progress of their metering connection. We do, however, encourage retailers to develop solutions such as this as a 'value-add' to attract and retain customers.
Dr Martin Gill, p. 2	Waiting times would be reduced significantly if consumers were allowed to appoint their own metering provider.	Under *Competition in metering,* small customers are not permitted or required to appoint their own Metering Coordinator. This approach was been adopted so that the arrangements are simple and practical from a small customer's perspective. The ability of small customers to appoint their own Metering Coordinator will be reviewed three years after the commencement of the reforms.

STAKEHOLDER	ISSUE	AEMC RESPONSE
Powershop, p. 3	Powershop suggests the AEMC review the Victorian metering procedures, particularly installation procedures, to drive better customer outcomes through more efficient processes. Powershop finds the CititPower/Powercor and Energex meter installation process efficient and customer friendly.	Noted.
Timeframes in other scenarios		
EWOSA, p. 4	In addition to meter installation issues, there have also been problems with meter testing since the introduction of metering contestability and EWOSA believe a timeframe of 20 days should also be imposed on carrying out meter testing.	Meter testing is outside of the scope of this rule change.
SA Department for Energy and Mining, p. 2	A six business day timeframe should also apply to meter abolishments.	Meter abolishments are outside of the scope of this rule change.
Accredited Service Provider schemes		
Master Electricians Australia, p. 2	The ideal solution is for all States to implement the (proven) NSW model, allowing suitably qualified contractors to install meters when they are wiring a new home, and to connect that home to the grid when they have completed the metering work.	The Commission notes that models such as the NSW scheme are a matter for relevant State jurisdictions to determine. We are not aware of any impediments in the rules that prevent jurisdictions from adopting this approach.
AGL, p. 5	AGL believes the NSW ASP scheme provides the most efficient method for hanging electricity meters, with the best outcomes for customers of all types – energy consumers, builders and tradespeople. This is because	

STAKEHOLDER	ISSUE	AEMC RESPONSE
	the coordination with the network is rarely required, allowing meter coordinators to assign suitably qualified ASPs to complete both the connection and meter installation components where required. This provides a guarantee of installation timeframes for the customer as they directly interact with the party that is completing the work, instead of through the retailer or network.	
HIA, p. 2	HIA considers that for a retailer to be able to provide timely installations, urgent changes to the process are required that permit a builder's electrician or electrical contractor who has specific qualifications, to run the mains power from the pit or pole to site, hang the meter and power it up, in a single visit. In reading the National Electricity Rules and discussions with the various bodies involved, the HIA's understanding is that there is not legislative impediments that would restrict this outcome from being achieved.	
AEMO procedures		
Powershop, p. 3	Streamline AEMO procedures by removing sequential timeframe requirements for selecting metering coordinators and metering providers in the Market Settlement and Transfer Solutions to allow retailers to appoint roles at the time of receiving the request.	As part of this draft determination, the Commission has recommended to AEMO that it streamlines the appointment process in its Market Settlement and Transfer Solutions (MSATS) system for metering parties in certain circumstances. We consider that the objection period for metering role changes
AEMO, pp. 4-5	AEMO notes that in other proposals to the AEMC, the AEC has considered an alternative approach to metering	

STAKEHOLDER	ISSUE	AEMC RESPONSE
	coordinator appointment, which seeks to establish a new role of 'pending metering coordinator'. AEMO does not consider that such a change would have a material benefit to the timeframes for replacing meter installations and that there is likely to be negative impacts to customers, the market and participants. including: • requirements on the metering coordinator to progress with planned works, both reactive to customer requirements and proactive fault or metering installation malfunction rectification works (where the metering coordinator is not an initial metering coordinator) • requirements for the metering coordinator regarding the management of exemptions (e.g. resolving 4A communication issues and malfunctions) • provision of information regarding the nature of the malfunction to the incoming metering coordinator • the obligations on the current metering coordinator to test and inspect in accordance with the NER or an AEMO approved alternative methodology.	should be reduced to zero days in cases where an existing accumulation or MRIM meter needs to be replaced with an advanced meter. This change should address the issues raised by proponents.
Aurora Energy, p. 2	A rule change addressing the issues related to meter churn by incoming Metering Coordinators has been submitted to the AEMC. By removing unnecessary market transactions, the meter installation process can be expedited by two to three days.	

STAKEHOLDER	ISSUE	AEMC RESPONSE
Guaranteed Service Level (GSL) scheme		
EWOQ, p. 3	Other options for consideration may include: • Bringing in a compliance component with a possible guaranteed service level payment if the timeframe is not met. • Expanding the compliance component and possible guaranteed service level payment affected parties other than the customer requiring the replacement meter. • This can occur where the meter requires de-energisation of neighbouring premises.	The Commission is of the view that the timeframes and associated civil penalties for not meeting these timeframes proposed in this draft rule would provide certainty for customers regarding metering installation timeframes being met.
AER, p. 2	We note that under the pre-1 December 2017 arrangements consumers had access to compensation under jurisdictional Guaranteed Service Level Schemes if installation timeframes were not met. These schemes were useful in providing customers with a level of certainty as to timeframes for meter installations and financial redress in the event timeframes were not met. The AER would recommend/be supportive of further consideration of how such a model might apply in relation to meter installations.	
Uncategorised comments		
SA Department for Energy and Mining, p.	The AEMC should consider whether a 'metering coordinator of last resort' and/or a 'metering provider of	The Commission is of the view that this problem will be resolved by this draft rule change imposing timeframes for various meter

STAKEHOLDER	ISSUE	AEMC RESPONSE
2	last resort' provision could be included in the rules. Such a provision would apply if retailers (and their metering service providers) fail to undertake metering-related services within the proposed timeframe of six business days (or a date agreed with the customer). For example, this 'last resort' function could be undertaken by a local distirbution network operator or alternative metering coordinator and metering provider that has the capacity to undertake metering-related services.	installations and proposing civil penalties if retailers (and their metering service providers) fail to undertake metering-related services within the required timeframe.
EWOSA, p. 1	Another issue has been the connection of solar photovoltaic panels to existing meters, which has resulted in the accumulation meter spinning backwards and problems associated with estimated bills, high bills and back billing.	The rollout of smart meters and the installation timeframes in this draft rule should address this problem, as the installation of solar panels should be accompanied by the installation of an advanced meter. A customer seeking to install a solar meter should inform their retailer in order to obtain a smart meter as quickly as possible.
Masters Electricians Australia, p. 4	As well as causing significant delays to meter connections, the cumbersome nature of the federal and State regulations is now also prompting systematic breaches of the ring-fencing provisions, which severely undermines the intent and the free market nature of the Power of Choice model. In their experience, State-government-owned DNSPs are finding the system too difficult to navigate, and "insourcing" metering work to their own workforce – allowing them to install meters and connect homes to the network while they are on site rather than following the new rules. This approach will,	The Commission notes that any breaches of the ring-fencing provisions are serious, and should be referred to the AER for investigation.

STAKEHOLDER	ISSUE	AEMC RESPONSE
	no doubt, cut the waiting times as it eliminates many of the steps in the diagram above. However, it entirely cuts out electrical contractors from the contestable work. This reduces competition and denies consumers the full benefits of the national rules.	

B LEGAL REQUIREMENTS UNDER THE NEL AND NERL

This appendix sets out the relevant legal requirements under the NEL and NERL for the AEMC to make this draft rule determination.

B.1 Draft rule determination

In accordance with s. 99 of the NEL and s. 256 of the NERL, the Commission has made a draft rule determination in relation to the consolidated rule changes proposed by the Australian Government and the AEC. The Commission's reasons for making this draft rule determination are set out in section 2.

The Commission's draft determination is to make a more preferable draft rule under the NEL and the NERL. A copy of the more preferable draft rule is attached to and published with this draft rule determination. Its key features are described in section 2.

B.2 Power to make the rule

NEL

The Commission is satisfied that the more preferable draft rule falls within the subject matter about which the Commission may make rules under the NEL. The more preferable draft rule falls within s. 34 of the NEL, as it relates to facilitating and supporting the provision of services to retail customers (s. 34(1)(aa) of the NEL). Further, the more preferable draft rule falls within the matters set out in Schedule 1 to the NEL as it relates to item 29 (of Schedule 1 to the NEL) because it relates to the regulation of persons providing metering services relating to the metering of electricity.

NERL

The Commission is satisfied that the more preferable draft rule falls within the subject matter about which the Commission may make rules under the NERL. The more preferable draft rule falls within s. 237 of the NERL as it relates to the provision of energy services to customers, and to the activities of persons involved in the sale and supply of energy to customers (s. 237(1)(a) of the NERL).

B.3 Commission's considerations

In assessing the rule change request the Commission considered:

- its powers under the NEL and NERL to make the rule
- the rule change requests
- the fact that there is no relevant Ministerial Council on Energy (MCE) statement of policy principles for the rule change requests
- submissions received during first round consultation
- the Commission's analysis as to the ways in which the proposed rule will or is likely to, contribute to the NEO and NERO (respectively).

The Commission may only make a rule that has effect with respect to an adoptive jurisdiction if it is satisfied that the proposed rule is compatible with the proper performance of AEMO's declared network functions.[208] The more preferable draft rule is compatible with AEMO's declared network functions because it does not relate to the AEMO's declared network functions.

B.4 Civil penalties

The Commission cannot create new civil penalty provisions. However, it may recommend to the COAG Energy Council that new or existing provisions of the NER and the NERR be classified as civil penalty provisions.

The Commission's more preferable draft rule amends:

- rule 7.8.10(a) and 7.8.10(d) of the NER. These rules are currently classified as civil penalty provisions under Schedule 1 of the National Electricity (South Australia) Regulations and the Commission considers that these rules should continue to be retained as civil penalty provisions and therefore does not propose to recommend any change to their classification to the COAG Energy Council; and
- rule 59C(2), and rule 124(1)(f) of the NERR, to clarify (respectively) that a retailer planned interruption notice is required where the retailer and the small customer, or the retailer and the life support customer have not agreed a date for the interrupton. These rules are currently classified as civil penalty provisions under Schedule 1 of the National Energy Retail Regulations. The Commission considers that these rules should continue to be retained as civil penalty provisions, and therefore does not propose to recommend any change to their classification to the COAG Energy Council.

The new provisions in the Commission's more preferable draft rule that the Commission is recommending to the COAG Energy Council as civil penalty provisions are expressed in the more preferable draft rule as clauses: 7.8.10 (aa); 7.8.10A(a) and (c); 7.8.10B(a) and (c); and 7.8.10C(a) and (c) of the NER as set out in the table below.

208 Section [91(8) of the NEL/ 295(4) of the NGL].

Table B.1: **Recommended civil penalty provisions proposed in the NER draft rule**

NEW CLAUSE REFERENCE	OLD CLAUSE REFERENCE	RECOMMENDATION
Amended clauses that we recommend should attract a civil penalty		
7.8.10(a)	7.8.10(a)	The Commission considers that clause 7.8.10(a) (as amended to only specify the maximum timeframe a metering coordinator must cause repairs of malfunctioning type 1, 2 or 3 meters) to be made, should be retained as a civil penalty provision.
7.8.10(d)	7.8.10(d)	The Commission considers that clause 7.8.10(d) (as amended to retain the obligation for metering parties to notify the metering coordinator of a metering malfunction within 1 business day across all meter types where the malfunction can not be rectified in the applicable timeframe) should be retained as a civil penalty provision.
New clauses that we recommend should attract a civil penalty		
7.8.10(aa)	n/a	Classify as a civil penalty provision on the basis that it will act as an effective deterrent to non-compliance. This clause imposes maximum timeframes within which a metering coordinator must cause repairs of malfunctioning meters to be made, other than for type 1,2 or 3 meters.
7.8.10 (A)(a) and (c)	n/a	Classify as civil penalty provisions to promote compliance with the new obligation on retailers (subject to limited exceptions) to arrange a meter installation for new connections on a date agreed with the small customer or failing agreement within six business days of the retailer being informed that the connection service is complete (or, as applicable, from the date that the exception ceases to apply).
7.8.10(B)(a) and (c)	n/a	Classify as a civil penalty provision to promote compliance with the new obligation on retailers (subject to limited exceptions) to arrange a meter installtion, where a connection service is not required, on a date agreed with the small customer or failing agreement within 15 business days from the date the retailer receives the customer request for the meter to be installed (or, as applicable, from the date that the exception ceases to apply).

NEW CLAUSE REFERENCE	OLD CLAUSE REFERENCE	RECOMMENDATION
7.8.10(C)(a) and (c)	n/a	Classify as civil penalty provisions to promote compliance with the new obligation: - on retailers (subject to limited exceptions) to arrange a meter installation, where a connection alteration is required, on a date agreed with the small customer (and DNSP where the DNSP is providing the connection alteration) or failing agreement within 15 business days from the date the retailer receives the customer request (or, as applicable, from the date that the exception ceases to apply); and - on DNSPs to co-ordinate a connection alteration with the retailer and relevant parties, in order to allow the retailer to comply with its obligations in the circumstances described above.

The Commission considers that the provisions as identified above should be classified as civil penalty provisions because they contain key consumer protections and with added enforceability should act as an effective deterrent against:

- delays in the time taken for metering coordinators to arrange the repair of malfunctioning meters; and
- meter installation delays experienced by small customers.

B.5 Conduct provisions

The Commission cannot create new conduct provisions. However, it may recommend to the COAG Energy Council that new or existing provisions of the NER and NERR be classified as conduct provisions.

The draft rule does not amend any rules that are currently classified as conduct provisions under the NEL or National Electricity (South Australia) Regulations or the NERL, or the National Energy Retail Regulations. The Commission does not propose to recommend to the COAG Energy Council that any of the proposed amendments made by the draft rule be classified as conduct provisions.