

8 November 2018



Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2499  
Sydney South NSW 1235

Dear Mr Pierce

**National Electricity Amendment (Meter Installations – Advanced Meter Communications) Rule 2018 Consultation paper**

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) regarding its National Electricity Amendment (Meter Installations – Advanced Meter Communications) Rule 2018 Consultation Paper (Consultation Paper).

The attached submission is provided by Energy Queensland, on behalf of its related entities, including:

- Distribution network service providers (DNSPs), Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy Network);
- A regional service delivery retailer, Ergon Energy Queensland Limited (Ergon Energy Queensland); and
- Affiliated contestable business, Yurika Pty Ltd (Yurika).

Energy Queensland supports the rule change proposal, suggesting it is a sensible solution that allows for enhanced flexibility and cost reductions associated with the provision of Type 4A meters. Energy Queensland provides a response to each of the questions raised in the AEMC's Consultation Paper in the attached table.

Should you require additional information or wish to discuss any aspect of Energy Queensland's submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Jenny Doyle".

Jenny Doyle  
General Manager Regulation and Pricing  
Telephone: (07) 3851 6416  
Email: jenny.doyle@energyq.com.au  
*Encl: Energy Queensland's submission to the Consultation Paper*

AEMC Question	EQL comments
<b>Question 1: Issues</b>	
<p>1. What are stakeholders' views on the issues raised by the AEC in the rule change request</p>	<p>Energy Queensland agrees with the views of the Australian Energy Council (AEC) that:</p> <ul style="list-style-type: none"> <li>• the cost of disabling meter communications on an installed Type 4 meter is less than the cost of installing a new Type 4A meter;</li> <li>• in most cases the deactivation of the Type 4 meter communications will not require an interruption to a customer's electricity supply; and</li> <li>• this approach should reduce the costs associated with the existing process whereby Metering Providers (MPs) install new meters so as to comply with clause 7.8.4 of the National Electricity Rules for customers wanting a Type 4A meter.</li> </ul> <p>The process to disable meter communications will require a site visit to the customer's premises. While these costs are expected to be less than meter churn costs, Energy Queensland is of the view that all costs associated with the meter conversion should be met by the requesting customer.</p>
<p>2. How prevalent is the issue of a small customer refusing the use of an installed type 4 meter (i.e. an advanced meter with active remote communications)?</p>	<p>Energy Queensland suggests requests for Type 4A meters is not a prevalent issue, with only 10 customers requesting Type 4A meters since 1 December 2017.</p>
<p>3. What reason/s are customers giving for their type 4 meter refusal?</p>	<p>Energy Queensland understands that customers perceive Type 4 meters as having the potential to generate electromagnetic fields which they may believe are harmful to their health.</p>

AEMC Question	EQL comments
<b>Question 2: The Proposed Solution</b>	
<p>1. What are the benefits of the solution proposed by the AEC?</p>	<p>Energy Queensland is of the view that the ability to disable communications in an existing Type 4 meter is a less costly process than churning the meter (as per the current practice). It also overcomes the need for an interruption to a customer's electricity supply to effect the change.</p> <p>Energy Queensland suggests the practice of disabling the communications of installed meters may allow for the communications function to be more easily reactivated should the customer or a future customer request Type 4 meter capabilities.</p>
<p>2. What are the costs of the solution proposed by the AEC?</p>	<p>In disabling the communications function, a Meter Data Provider (MDP) will be required to undertake physical reads of the meter every quarter, with this read attracting additional costs which will be passed to the retailer and ultimately the customer.</p> <p>A MP will also be required to attend the site to disable the communications function. All costs associated with this service should be borne by the requesting customer.</p>
<p>3. Are there any alternative solutions that may have greater benefits and/or lower costs?</p>	<p>Energy Queensland agrees with the solution proposed by the AEC in its rule change request. However, Energy Queensland suggests the following may offset the costs associated with the rule change proposal:</p> <ul style="list-style-type: none"> <li>a) On move-out or where a customer elects for the re-establishment of Type 4 meter capabilities, the customer is required to meet all costs associated with re-establishing communications (that is, returning the Type 4A meter to a Type 4 meter); and</li> <li>b) There is no onerous timeframe associated with converting a Type 4 meter to a Type 4A meter (or vice-versa), allowing a MP to geographically group</li> </ul>

AEMC Question	EQL comments
	<p>dispersed metering work.</p> <p>These conditions are based on the concept of user-pays and are expected to reduce the smearing of associated costs across a retailer's customer base.</p>
<p>4. What, if any, is the effect on the Power of Choice reforms of allowing metering coordinators to deactivate communications of already installed type 4 meters? That is, to what extent, if any, would the expanded exemption reduce or delay the benefits of the roll-out of advanced meters, such as access to innovative tariffs and services?</p>	<p>Energy Queensland advises that customers with Type 4A meters installed have reduced access to innovative tariff products which are intended to provide customers with cost savings, greater customer tariff choice and cater for emerging technologies.</p> <p>Energy Queensland's preference is for customers to be referred to a fact sheet on a retailer's website which provides information on Type 4 and 4A meters and what each meter type means for the customer, ahead of the customer making an informed choice.</p>
<p><b>Question 3: Assessment Framework</b></p>	
<p>1. Is the proposed assessment framework appropriate for considering the rule change request?</p>	<p>Energy Queensland agrees with the assessment framework of price, customer choice and competition in considering the rule change request.</p>
<p>2. Are there other relevant considerations that should be included in the assessment framework?</p>	<p>Energy Queensland suggests that costs associated with the conversion of a Type 4 meter to a Type 4A meter (and vice versa) should be considered in the assessment framework. Energy Queensland also questions whether the meter conversion may be achieved via deactivation/reactivation of a SIM within the communication device.</p>

**General Comments:**

Energy Queensland is of the view that customers should apply for a Type 4A meter and retailers should be under no obligation to offer this meter type. For example, Ergon Energy Queensland responds to approximately 130,000 "move-in" requests during a financial year and should not be obliged to offer a Type 4A meter to each move-in customer. Instead it should be up to the customer to request this meter type.