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31 October 2018

Mr Ed Chan
Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted electronically

Dear Mr Chan,

Re: Draft Rule Determination National Energy Retail Amendment (Metering Installation Timeframes) Rule 2018 (ERC0236)

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide a submission on the proposed National Energy Retail Amendment (Metering Installation Timeframes) Rule Change to the Australian Energy Market Commission (the Commission).

Red and Lumo have continually supported the obligation being placed on retailers to deploy smart meters to their customers, when there is a need to, for example where solar is installed or when the existing meter malfunctions and needs replacement. Customers, and the market will benefit from increasing amounts of smart meters being installed, as smart meters unlock more products and service offerings to customers. While we strongly support the deployment of smart metering, we provide feedback on the draft rule determination with the view of avoiding unintended consequences and increases to costs that may be borne by consumers.

The Commission has recommended changes to both the National Electricity Rules (NER) and the National Energy Retail Rules (NERR). This submission considers the proposed changes to the NER, specifically regarding metering installation malfunctions, timeframes regarding metering installations that require a new connect and those that do not. Further, this submission will also consider consumer benefits associated with the Commission's proposed changes to the NERR and potential improvements that can be made to the drafting in order to further the benefits for consumers.

Customer agreement

Red and Lumo strongly support the Commission putting the customer at the centre of the process. We consider that it is very important for a customer to be able to engage with their retailer and agree a timing and a process that meets their needs. However, in our experience, some customers prefer a set of dates (e.g. mornings but not afternoons on a given week) or at a time where they are on holidays. On that basis, we would prefer that the drafting of the rule is flexible enough to allow agreement between retailers and customers to provide the outcome that the customer is looking for. We have proposed drafting below to enable this to occur, however, do consider that a specific date must be agreed where a connection alteration is required.

Further, we would like to be able to reach agreement with our customers, but in cases there are circumstances where contacting the customer is difficult. We suggest that the Commission incorporate flexibility to allow retailers to contact their customers for the

installation as well as the ability to address unforeseen circumstances while still meeting the expectations of the customer.

New Connections

New connection work is very important and critical to be established correctly in order to ensure a safe connection to the network on an ongoing basis. We acknowledge that in some states, new connections work has not been coordinated to ensure a smooth connection to the network and the meter. We consider that this rule will assist customers in this situation as it places the onus on both retailers and distributors to work together to ensure a timely and quality outcome for the customer.

However, as new connections are an extensive piece of work managing multiple parties, including in many instances the customer's builder and/or electrician, there may need to be a little flexibility regarding the 6 business day deadline. In particular, as at the point the connection service has been completed but there is further work that needs to take place by the customer's electrician prior to the installation of a new meter, the 6 business days will need to have some flexibility built into the rule. We consider that coordination will be the key to meeting the timeframes for customers requiring a new connection. Red and Lumo engage with both the customer and the distributor to ensure a smooth new connection process, however, we have experienced delays on account of the customer's contractors in some circumstances. We recommend that the drafting of rule 7.8.10A take into account site readiness outside of the connection service. Alternatively, the Commission could consider a 15 business day installation timeframe to apply, meeting customers' expectations without leading to inefficiencies and extra costs which may be borne by the customer.

Metering installation malfunctions

We strongly support replacing a customer's meter where it has malfunctioned. However, as the Commission is aware, the reasons for a meter malfunction can range from where the meter precludes electricity from flowing and a customer is left off supply, to the display cover or flashing light being damaged but the meter is still capable of flowing and recording energy. The Commission appears to have taken the approach that retailers and their metering coordinators should be subject to equivalent obligations as what previously applied to distribution networks when they were required to install and maintain metering installations for small customers. We consider that retailers and their metering coordinators will prioritise for immediate action any malfunctioned metering installation that is incapable of flowing electricity and providing the customer with power. However, for malfunctioned meters that are still capable of providing electricity to the customer, the timeframe should be relaxed to 20 business days.

We consider that based on the current exemption procedure that the Australian Energy Market Operator (AEMO) have published, an extra 5 day allowance on metering installation malfunctions will create further operational efficiencies and fewer exemptions being requested. This will not preclude retailers from immediately actioning meter malfunctions where their customers are left with partial or no supply.

Planned Interruption Notifications

Red and Lumo welcome the introduction of a more flexible approach to the use of the planned interruption notification. We believe that having a more flexible approach and allowing customers to waive this planned interruption notification and have a shorter installation timeframe with written consent where appropriate will help to speed up overall installations

and further increase the number of meter installations across the market and see better outcomes for customers.

However, we are concerned where customers are still required to receive a planned interruption notifications via the post (particularly rural and regional customers) may be disadvantaged by the requirements. Noting that current standard post time frames published by Australia Post are 2-6 business days and we are concerned that the above installation timeframes for meter installations will risk non-compliance for customers who require planned interruption notifications posted to them.

Timeframes

Red and Lumo prefer that amendments to Chapter 7 of the draft NER and the corresponding Schedule 2 of the draft NERR changes commence on 1 February 2019. Commencement on 1 January 2019 is problematic as it is the festive season, with many people on leave or with limited resources available. During the holiday period, industry will be available to support emergent jobs to ensure that customers are not without supply during this time. A 1 February 2019 for the NER changes will allow enough time for retailers and their metering coordinators to ensure that all processes and procedures are updated and in place to ensure compliance with the rule. Moving the date will not preclude retailers that are ready earlier to provide a better customer experience, and exchange meters within the timeframe.

We strongly support amendments to Schedule 1 of the draft NERR as published by the Commission to commence on 6 December 2018. However, we consider that changes to the model terms and conditions for standard retail contracts can also be moved to Schedule 2 and commence on 1 February 2019. This small change will allow enough time for retailers to change their standard retail contracts and publish one set of contract changes (consistent with the Commission's decision on the life support rule change which also commences on 1 February 2019).

Drafting

Red and Lumo propose the following drafting recommendations for the Commission's consideration.

National Electricity Rules

- Amendment of 7.8.10(aa)(1) replace '15 *business days*' with '20 *business days*'
- Amendment of 7.8.10A(a)(1) replace 'on a date agreed with the *small customer*' with 'as agreed with the *small customer*'
- Amendment of 7.8.10A(b)(2) include underlined text: 'the proposed site for the *meter* at the *small customer's* premises is not ready, accessible or safe for a *meter* to be installed, or the *connection service* has not been completed; or'
- Amendment of 7.8.10A(c)(2) replace '6 *business days*' with '15 *business days*'
- Removal of '7.8.10(a)(1)' and replace with '7.8.10(a)' in rule 11.86.7(d)(4) and rule 11.86.7(g)(3)
- Amendment of 7.8.10B(a) replace 'on a date agreed with the *small customer*' with 'as agreed with the *small customer*'
- Amendment of 7.8.10C(c)(1)(i) replace 'on a new date agreed with the *small customer*' with 'as agreed with the *small customer*'
- Removal of '7.8.10(a)(2)' and replace with '7.8.10(aa)(2)' in rules: 11.86.7(g)(2), 11.86.7(i)

National Energy Retail Rules

- Amendment of 59C(1A) replace 'at least 7 years' with 'at least 2 years or for the period that the *small customer* is a customer of the retailer' to be consistent with other data retention policies considered under the NERR.
- Amendment of 99A(1)(a)(ii) omit 'for enquiries in relation to the *retailer planned interruption*' and replace with 'for interruptions'
- Amendment of 124(1)(e1) replace 'for enquiries' with 'for interruptions'.

About Red and Lumo

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

Should the Commission have any enquiries regarding this submission, please call Stefanie Macri, Manager - Regulatory Affairs on 0481 009 645.

Yours sincerely

A handwritten signature in black ink, appearing to be "Ramy Soussou", with a long horizontal line extending to the right.

Ramy Soussou

General Manager Regulatory Affairs & Stakeholder Relations

Red Energy Pty Ltd

Lumo Energy (Australia) Pty Ltd