



Meter installation timeframes

Final determination and rule published

The Australian Energy Market Commission has made a more preferable final rule to provide customers with greater control and confidence over when their electricity meter will be installed.

Overview of the final rule

Under the final rule, retailers will be required to provide a meter for a new connection or perform a simple meter exchange by a date agreed with the customer. If no timing can be agreed, then the retailer will need to install the meter within six business days at a new connection, or within 15 business days if the customer has requested a simple meter exchange.

For a meter exchange that requires a connection alteration to be completed by a distribution network service provider (DNSP), the retailer will be required to install the meter by a date agreed with the customer and the DNSP. If no timing is agreed, the final rule requires the retailer to install the meter within 15 business days and specifies that DNSPs must coordinate connection works to allow retailers to meet their timeframe obligations.

The final rule also includes a range of additional measures that seek to reduce meter installation delays and increase consumer confidence. In addition, it harmonises the timeframe for metering coordinators to repair and replace small customers' faulty meters with those for customer initiated meter exchanges.

This final rule was made in relation to two rule change requests submitted by the Australian Government and the Australian Energy Council which were consolidated under the National Energy Retail Law (NERL) and the National Electricity Law (NEL).

Context: Introduction of competition in metering

Almost 600,000 small electricity customers outside Victoria now have advanced meters. Advanced meters enable customers to better understand and control their electricity use and costs, and access new services. They are also a pre-requisite for implementation of cost-reflective tariffs, which can deliver savings for consumers.

Following the Commission's metering contestability reforms, the roll-out of advanced meters is progressing faster than expected. This change is being driven by consumer choice, not regulation. Smart meters are also now being generally provided by retailers at no upfront cost.

Due to the demand for smart meters, some customers have been experiencing meter installation delays since 1 December 2017. While instances of delays should be considered in the context of large numbers of completed meter installations, the impacts on affected customers are not acceptable.

Delays in the installation of meters can severely affect small customers, either through imposing financial hardship, leaving them without electricity supply or delaying their ability to access new electricity products and services.

The metering installation delays that small customers have experienced are of serious concern to the Commission. Although industry has taken some action to resolve the meter installation delays, the Commission considers that the situation remains unsatisfactory and requires regulatory action.

Timeframes for customer initiated meter installations

The Commission considered there are significant benefits to establishing nationally consistent installation timeframes in cases where small customers have requested a new or replacement meter.

Retailers' obligations under the final rule 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 in each scenario.

Timeframes for new connections

A new connection is when electricity supply is being connected to a site where none existed before. In practice, new connections are most often new builds recently completed.

Under the final rule, retailers will be required to provide a metering installation for a new connection by 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.

Timeframes for simple meter exchanges

A simple meter exchange is when an existing electricity meter is being replaced with a new meter and a connection alteration is not required. For example, the installation of a small rooftop solar PV system may require a simple meter exchange.

In cases where a simple meter exchange has been requested, the final rule requires retailers to install the meter by a date agreed with the small customer. If no timing is agreed, the retailer must install the meter within 15 business days of having received a formal request from an existing small customer. The Commission considers a timeframe of 15 business days is appropriate given there are more installation steps than for new connections.

Timeframes for complex meter exchanges

A complex meter exchange is when existing electricity meters are being replaced and connection alterations are required. For example, where customers have bought an electric vehicle or a large air conditioner that requires three-phase electricity supply.

Under the final rule, the retailer will be required to provide a metering installation for a more complex meter exchange by 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 timing is agreed, retailers must install the meter within 15 business days of having received a formal request. The final rule also specifies that the distribution network service provider must coordinate connection alterations in order to allow retailers to meet their timeframe obligations.

Compliance and enforcement

The final rule applies a firm requirement on retailers to meet installation timeframes where alternative dates have not been agreed with customers.

The Commission notes there will be circumstances where it is more difficult for retailers and metering parties to install a meter and the maximum timeframe cannot be met. Where retailers encounter these rare situations, the final rule allows for exceptions to be made.

In these cases, retailers would provide assistance to small customers by explaining why installation cannot proceed and what may need to be done to address the problem. Once the issue causing the exception has been resolved, the time for the installation will be (as applicable) at a new time agreed with the customer, or the timeframe will restart from the beginning.

Timeframes for rectifying a malfunctioning meter

Under the final 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 malfunction.

It is important to note that malfunctioning meters do not generally result in customers losing electricity supply. In rare cases where a customer has experienced a loss of electricity as a result of a faulty meter, the local DNSP should undertake its usual practices to maintain supply until it is repaired or replaced.

Additional measures to reduce meter installation delays

The final rule also includes:

- 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 and distributor planned interruptions
- a recommendation to the Australian Energy Market Operator (AEMO) that they streamline the appointment process for metering parties in certain circumstances.

Changes between draft and final rule

The final rule largely retains the content and form of the draft rule. However, a number of changes have been made between the draft and final rule to enhance the operation of the rule and to clarify its intent.

A key change under the final rule is that customers are now able to agree to a date range for metering works or connection services that require an interruption to the customer's electricity supply. Customers can also still agree for the planned interruption to be on a specific date, where required.

This change was made so that retailers and metering providers can deliver metering works more efficiently across a diverse and geographically dispersed customer base. The Commission also considered that providing customers and retailers with the flexibility to agree on a date range is likely to improve efficiency in meter installations, even if only some customers take up this option.

The final rule also includes a transitional provision which specifies that, for small customers that have a request for a meter installation outstanding with their retailer as at 1 February 2019, the commencement of the relevant metering installation timeframe will take effect. The Commission included this transitional provision to ensure that customers that are suffering from meter installation delays and have lodged a request prior to 1 February 2019 also benefit from the consumer protection provided by the final rule.

Actions taken to resolve delays

The Commission has been working closely, alongside other regulatory bodies such as the Australian Energy Regulator and the Australian Energy Market Operator to resolve industry issues related to meter installation delays. This work has been conducted in parallel to the rule change process, so outcomes for customers could be improved as soon as possible.

This work has included workshops with retailers, metering businesses, state government, distributors and energy ombudsman to identify solutions that can be implemented while the rule change process is in progress. It has led to some improvements in installation timeframes and reduced the instances of customers being left without electricity supply as a result of metering works.

Implementation

The final rule will commence operation on 1 February 2019. The Commission is cognisant that the new obligations placed on retailers, metering providers and DNSPs under the final rule will require 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 final rule. Taking these factors into account, the Commission considered that a commencement date of 1 February 2019 for the final rule is appropriate.

For information contact:

AEMC Director, **Ed Chan** (02) 8296 7839

AEMC Advisor, **Jess Boddington** (02) 8296 0626

Media: Communication Director, Prudence Anderson 0404 821 935 or (02) 8296 7817

6 December 2018