

1 March 2019



Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pierce

Consultation Paper: Bill Contents – Customers with Interval Meters (RRC0026)

Energy Queensland Limited (Energy Queensland) appreciates the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on the *National Energy Retail Amendment (Bill Contents – Customers with Interval Meters) Rule 2019* consultation paper (consultation paper).

The rule change request seeks to require all electricity retailers to include a start and end meter reading for each billing period in electricity bills. While the National Energy Retail Rules (NERR) currently requires retailers to include the values of meter readings at the start and end of the billing period, there is a provision that permits retailers to not display these values for interval meters if the meter data is not reasonably available. The purpose of the rule change request is therefore to amend the NERR to make it mandatory for start and end meter readings to be provided to enable customers to reconcile their bills and improve customers' trust in electricity retailers. Energy Queensland's responses to the questions raised in the AEMC's consultation paper on the proposed rule change are provided in the attached submission.

In summary, Energy Queensland supports efficient investment in solutions that enable customers to better understand their energy consumption, allow billing reconciliation and facilitate greater customer confidence. Energy Queensland therefore appreciates the rule change proponent's view that disclosing start and end meter readings on bills may assist some small customers to reconcile their bills and energy use. However, Energy Queensland considers that a robust cost benefit analysis should be carried out to ensure the costs to implement the proposed solution do not outweigh the benefits to electricity consumers. As noted by the AEMC in the consultation paper, if it becomes mandatory to disclose start and end meter readings on interval meter customers' bills, costs will be incurred by retailers as a result of changes required to existing billing systems.

In addition to considering the likelihood for additional costs to be passed on to all electricity consumers, consideration should also be given to other factors, including:

- the extent of the problem for small customers in not being provided with start and end meter readings on their electricity bills; and

- the range of alternative mechanisms available to small customers to source and examine their metering data and tools to assist customers in understanding their bills and energy consumption.

In Energy Queensland's view, there is significant potential for other solutions (such as digital platforms) to allow customers to better understand their energy consumption and realise the potential benefits of advanced interval meters. Consequently, further development of these solutions may represent a more efficient investment in achieving the long-term interests of energy consumers.

Should you require additional information or wish to discuss any aspect of Energy Queensland's submission, please do not hesitate to contact me on (07) 3851 6787 or Charmain Martin on (07) 3664 4105.

Yours sincerely



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ATTACHMENT 1

STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

SUBMITTER DETAILS

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CHAPTER 4 – ASSESSMENT FRAMEWORK

1. Is the proposed assessment framework appropriate for considering the rule change request?

Energy Queensland agrees that the proposed assessment framework is appropriate for considering this rule change request. In particular, it is noted that the Australian Energy Market Commission (AEMC) must consider whether the proposed amendment to the National Energy Retail Rules (NERR) meets the national energy retail objective (NERO) which is:

“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.”¹

In this regard, Energy Queensland supports efficient investment in solutions that will enable customers to better understand their energy consumption, allow billing reconciliation and facilitate greater customer confidence. However, Energy Queensland also concurs with the AEMC’s view that a robust cost benefit analysis must be carried out when considering this rule change proposal to ensure the costs of eliminating the transitional rule do not outweigh the benefits to electricity consumers.

As the AEMC has noted in the consultation paper, if it becomes mandatory to disclose start and end meter readings

¹ National Energy Retail Law, s 236(1).

	<p>on interval meter customers' bills, costs will be incurred by retailers as a result of changes required to existing billing systems.² Energy Queensland agrees with the AEMC's view that it is likely these additional costs will be passed through to electricity consumers.</p> <p>Consequently, Energy Queensland supports the AEMC's approach in considering the extent to which the rule change request provides the most efficient solution to the problem or whether there are alternative, market-led solutions that provide more cost-effective mechanisms to allow customers to have confidence in the accuracy of their metering data and bills.</p>
2. Are there other relevant considerations that should be included in the assessment framework?	No comment – Energy Queensland is supportive of the proposed assessment framework.

CHAPTER 5 – SECTION 1 - ISSUES

3. To what extent is it an issue that a retailer is not required to provide to a small customer with an interval meter the start and end meter reading in the bill?	No comment - interval meters (i.e. Type 5 meters) are not installed in Queensland.
a. Is it any different for customers with advanced interval meters?	<p>As noted in answer to question 7 below, to Energy Queensland's knowledge the lack of start and end meter readings on electricity bills has not been a significant issue for small customers with advanced interval meters in Queensland to date. However, it is acknowledged that as the roll out of advanced interval meters progresses, the need for customers to have access to metering information and tools to better understand and reconcile their bills will also likely increase. Energy Queensland therefore appreciates the rule change proponent's view that providing start and end meter readings on bills may be beneficial for some small customers to understand their bills and energy use.</p> <p>However, in this regard, as noted in answer to question 5 below, it should be noted that there are currently a number of effective and easily accessible solutions available to small customers to source and examine their metering data for purposes such as validating their bill. It is anticipated that these tools will continue to develop and improve over time as the number of advanced interval meters continues to grow.</p>

² Australian Energy Market Commission (AEMC), Consultation Paper: National Energy Retail Amendment (Bill Contents – Customers with Interval Meters) Rule 2019, 31 January 2019, p. 13.

<p>4. With more advanced interval meters to be rolled out and more digital near real-time solutions/tools available to customers, is it likely that this issue becomes more or less prevalent over time?</p>	<p>With the continued roll out of advanced interval meters, Energy Queensland considers it likely that there will be a need for greater access to more digital near real-time tools that will enable customers to easily reconcile their bills and understand their energy consumption.</p> <p>In addition to the current obligations on both retailers and distributors to provide metering data to customers (including interval metering data) within specified formats and within specified timeframes,³ it is anticipated that, as retailers and metering coordinators continue to evolve their product offerings and services, more tools will become available to allow customers to better understand their energy consumption and realise the potential benefits of advanced interval meters. It is therefore expected that this issue will become less prevalent over time.</p>
<p>5. What are the tools offered to customers with advanced interval meters to understand their bill and energy consumption?</p>	<p>As required under rule 56A of the NERR and rule 7.14 of the National Electricity Rules (NER), Energy Queensland’s regional service delivery retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail), complies with the requirements of AEMO’s Metering Data Provision Procedures in managing requests from customers for interval metering data.</p> <p>In addition, Ergon Energy Retail offers a number of tools on its website to assist customers, including:</p> <ul style="list-style-type: none"> • a guide to reading and understanding electricity bills, including a video tour; • an interactive “high bill” checklist to assist customers in understanding why their bill may be higher than expected; and • energy use calculators to help customers understand how much energy they are using, how much it costs and how they might manage their usage to reduce their electricity bills. <p>Further, Ergon Energy Retail has developed a digital platform that enables customers to download up to two years of billing information. This platform also allows customers with advanced interval meters to access interval meter data in its raw format and a diagrammatic representation of their energy usage over a specified period.</p> <p>While it is acknowledged that providing start and end meter readings may provide a level of comfort to customers who do not have access to the internet and digital portals, there are also mechanisms available to those customers to request metering information or seek help in understanding their bill (i.e. by telephone or in writing). Where requested, those customers are provided with their interval metering data in a printed format by post.</p>
<p>6. What are the tools offered to customers with interval meters (type 5)?</p>	<p>No comment - as noted above, Type 5 meters are not installed in Queensland.</p>

³ NERR, rule 56A and National Electricity Rules, rule 7.14.

<p>7. How many complaints do stakeholders receive related to the issue raised in this rule change request?</p>	<p>Since the Power of Choice reforms were introduced in Queensland on 1 December 2017, only four complaints have been escalated to Ergon Energy Retail’s Service Quality Team in relation to the issue raised in this rule change request. The Ergon Energy Retail Customer Solutions Centre and Billing teams have also indicated that very few queries have been received in relation to there being no start and end meter readings on electricity bills from customers with advanced interval meters and that any queries received have been successfully resolved utilising existing mechanisms.</p>
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CHAPTER 5 – SECTION 2 – OTHER ISSUES

<p>8. What tools are available to customers with advanced interval meters to understand their use, reading and installation?</p>	<p>As previously noted, Ergon Energy Retail provides information on its website outlining its billing and metering data provision services as well as information on the use and reading of advanced interval meters.⁴ Customers are also able to engage with Ergon Energy Retail on billing and metering matters through a range of channels, including by email, telephone or post.</p> <p>In addition, the Queensland Government’s website provides information on advanced interval meter use and installation (including opt out provisions) as well as the advantages of having an advanced interval meter and associated charges.⁵</p> <p>However, it should also be noted that, while there is general information available for customers with advanced interval meters to understand their use, reading and installation, it is difficult to provide information on the reading of all advanced interval meters due to a range of variables, including meter type and configuration.</p> <p>In this regard, Energy Queensland agrees with the AEMC’s assessment in its final rule determination on the recent estimated meter reads rule change that “it may be difficult for customers to read their electricity interval meters, given the range of data displayed on the meter and the tariff arrangement the customer is on”.⁶ In particular, the AEMC noted that customers on variable tariff arrangements would potentially encounter difficulties in reading their advanced interval meter due to the fact that the standard information display for these meters:</p> <ul style="list-style-type: none"> • may not provide customers with the ability to read detailed energy consumption information for each channel of interval data; and • does not always correspond with the information used by the retailer to bill the customer.⁷
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⁴ <https://www.ergon.com.au/retail/business/billing-and-payments/billing-and-energy-data-services>

⁵ <https://www.qld.gov.au/housing/buying-owning-home/energy-water-home/electricity/digital-meters/electricity-metering>

⁶ Australian Energy Market Commission, *Rule Determination: National Electricity Amendment (Estimated Meter Reads) Rule 2018*, 25 October 2018, p. 32.

⁷ *Ibid*, p. 32.

	<p>Based on these considerations, the AEMC excluded small customers with advanced interval meters from the rule.</p> <p>It is also unclear to Energy Queensland as to how a customer would be able to validate a start and end read on their bill against the data that may be displayed locally on the meter. Furthermore, although the NER currently requires all electricity meters to display the cumulative total energy measured by the metering installation in a visible or equivalently accessible display, it does not require a start and end read to be displayed that would align with the customer's billing cycle.</p>
9. Do you consider that the information available for customers is adequate to understand advanced interval meter use, reading and installation?	<p>As previously noted, there is currently a range of information available to small customers to understand advanced interval meter use, reading and installation. There are also alternative methods available for customers who do not have access to the internet to engage with their retailer on metering and billing matters. As the roll-out of advanced interval meters in Queensland progresses, it is anticipated retailers and metering coordinators will continue to further develop and improve the information, products and services that are available for customers to understand their energy consumption.</p>
10. What additional information should be publicly available for customers to understand advanced interval meter use, reading and installation?	<p>Energy Queensland considers that sufficient information is publicly available for customers to understand advanced interval meter use, reading and installation at this stage and will likely increase over time.</p>

CHAPTER 5 – SECTION 3 – SOLUTIONS

11. What are the costs and benefits of eliminating the transitional rule?	<p>Energy Queensland has not had an opportunity to undertake a thorough cost assessment of the potential implications of the proposed rule change. However, it is anticipated that costs will be incurred as a result of:</p> <ul style="list-style-type: none"> • billing system enhancements to facilitate the changes to meter data file formats; • changes to bill design / layout for customers with advanced interval meters; • modifications to systems used by meter data providers to provide start and end meter reads; • other potential system changes to support any necessary amendments to AEMO's Metering Data Provision Procedures; and • increased enquiries from customers experiencing difficulties reconciling an index read against the information displayed on their advanced interval meter. <p>It is likely that those additional costs (including costs incurred and passed on by meter data providers) will be recovered by retailers from all electricity customers.</p>
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<p>12. What are the costs and benefits of adopting the Victorian solution?</p>	<p>In relation to Type 4A meters, Ergon Energy Retail’s meter data provider does not currently supply the index read and has advised that to do so would require system changes. The costs of these changes will likely flow through to Ergon Energy Retail and therefore to customers.</p> <p>Since the introduction of the Power of Choice reforms, Ergon Energy Retail has received only ten requests from customers for Type 4A meters. Consequently, as there are very few customers with Type 4A meters in regional Queensland and these customers are also able to access their metering and billing information through alternative mechanisms, it is unlikely that any change to support the provision of index reads for these customers can be justified on the basis that it would be an efficient investment in the long-term interests of electricity consumers.</p> <p>In addition, it should also be noted that there are currently no requirements in the Meter Data File Format Specification requiring meter data providers to supply index reads for advanced interval meters, including type 4A meters. Consideration may therefore need to be given as to whether changes to the specification are required to support the proposed rule change (if progressed).</p>
<p>13. What are the reasons for retailers to exclude cumulative readings in the bills for other NEM jurisdictions when this information is disclosed in the bills in Victoria?</p>	<p>Refer above.</p>
<p>14. Are there any alternative solutions to consider that may have greater benefits and/or lower costs?</p>	<p>As noted above, it is anticipated that as the roll-out of advanced interval meters in Queensland progresses, the information, products and services provided by retailers and metering coordinators will continue to evolve and deliver greater benefits and lower costs for customers.</p> <p>In Energy Queensland’s view, existing solutions (such as digital platforms) allow customers to gain a far better understanding of their bill and energy consumption than would be achieved through the provision of start and end meter readings on customers’ bills. While it is acknowledged that providing start and end meter readings may assist in providing a greater level of confidence to those customers who value this information, further development of alternative solutions is likely to represent a more prudent investment than costly alterations to retailers’ billing systems.</p>
<p>15. To what extent, if any, will the Consumer Data Right reform address the issues raised in the rule change request?</p>	<p>No comment at this stage - further information on the technical data standards is required to understand how the consumer data right reform might address the issues raised in the rule change request.</p>