



Australian Energy Market Commission

DRAFT RULE DETERMINATION

NATIONAL ENERGY RETAIL AMENDMENT (BILL CONTENTS - CUSTOMERS WITH INTERVAL METERS) RULE 2019

PROPONENT

Mr Craig Whybrow

18 APRIL 2019

RULE

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.

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SUMMARY

- 1 On 18 June 2018, Mr Craig Whybrow (the proponent) submitted a rule change request to the Australian Energy Market Commission (AEMC or Commission) to amend the National Energy Retail Rules (NERR). The proponent considered that a rule change should be made requiring all electricity retailers to display start and end meter readings in the bill for every customer with an advanced interval meter (smart meter).
- 2 The Commission has decided not to make a draft rule to amend the NERR.
- 3 Currently, the NERR prescribes that retailers must include in the bill the start and end meter readings for each billing period. A transitional provision permits retailers not to display these values for interval meter customers, only if the metering data required is not reasonably available.
- 4 The purpose of including start and end meter readings in energy bills is for customers to have sufficient information when reconciling their bill. The proponent considers that including these readings in the bill would increase customer's trust and improve transparency in the market.
- 5 Two key factors were raised by stakeholders who were not in favour of making a rule change to modify the bill contents requirements:
 - the issue raised in the rule change request is not material and is likely to become less prevalent over time
 - including start and end meter readings in the bill for customers with advanced interval meters would not provide the expected benefits for customers. On the contrary, stakeholders considered it may lead to more confusion for customers and reduce trust in the market.
- 6 Stakeholders supporting the rule change agreed with the proponent that including start and end meter readings in all energy bills would increase transparency in the market and trust in retailers.
- 7 The Commission considered, when assessing this rule change request, whether the underlying issues raised by the proponent are best addressed by competitive market interactions or changes to the rules. The materiality of the issue raised by the rule change request was found to be insufficient to make the proposed change. The Commission's analysis indicates that:
 - Not including start and end meter readings in the bill is not a material issue for most electricity customers with interval meters.
 - Start and end meter readings would be insufficient to allow customers with interval meters to reconcile their bills. The proposed change could have an unintended consequence of increasing consumer confusion, considering that such meter readings would not always correspond to the customer's energy usage (as interval meters measure usage in intervals and not on a cumulative basis).

- There are alternative market measures that can assist in achieving the purpose of the rule change request. The market already offers various tools for customers to verify their energy consumption that are more effective than the proposed rule change. The current rules also provide an adequate framework that assists consumers in case they need additional support to check their bill or their meter.
- It is not likely that including start and end meter readings in electricity bills would increase trust or transparency in the market. Therefore, the increased levels of regulatory and administrative costs that would arise if a rule is made would not be justified.

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On this basis, the Commission has determined that the proposed change to the current bill content requirements in the NERR is not in the long-term interests of consumers and will not, or is not likely to, contribute to the achievement of the National Electricity Rules Objective (NERO) at this time.

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1 RULE CHANGE REQUEST

On 18 June 2018, the Australian Energy Market Commission (AEMC or Commission) received a rule change request from Mr Craig Whybrow (the proponent) to amend the National Energy Retail Rules (NERR). The proponent is a residential customer based in NSW who agreed to have a smart meter installed in his premises. After he had a smart meter installed, he noticed he was no longer able to see a start and end meter reading in his bill.

1.1 Rationale for the rule change request

The issue raised by the proponent in the rule change request is the fact that small electricity customers with an advanced interval meter cannot (always) find in their bill a meter reading for the start and end of the billing period. Additionally, a number of key points raised in the rule change request are summarised as follows:

- small customers do not have a satisfactory method to correlate their electricity consumption with their electricity bill
- retailers do not provide enough information for customers to understand how to read their new advanced interval meters correctly
- the electricity market is not transparent about the change in information when an advanced interval meter is installed (installation procedures and use).

1.2 Solution proposed in the rule change request

The proponent's solution is to require all energy retailers to include in their bills a start and end meter reading for each billing period for advanced interval meter customers. To implement this solution the NERR would need to be amended.

The proponent outlined the following anticipated benefits if the proposed solution is adopted, it would:

- facilitate billing reconciliation
- improve consumer trust in energy retailers
- reduce the number of consumer complaints submitted to Ombudsman agencies, the Australian Energy Regulator (AER) and energy retailers.

The rule change request did not include a proposed rule.

1.3 Current arrangements

1.3.1 Retailer billing requirements

Under the NERR, retailers must include minimum contents in energy bills so that small customers can easily verify their bill.¹ Among the different requirements listed, rule 25 states:

(1) A retailer must prepare a bill so that a small customer can easily verify that the bill

¹ NERR, rule 25, part 2.

conforms to their customer retail contract and must include the following particulars in a bill for a small customer:

(...)

(j) the values of *meter* readings (or, if applicable, estimations) at the start and end of the billing period;

The NERR requires retailers to disclose in all energy bills, two cumulative readings, one for the previous consumption period (start of the billing period) and another one for the actual consumption period (end of the billing period). The difference between both numbers is the amount of energy consumed in the billing period.²

This rule is subject to rule 8(3) of schedule 3, part 4 of the NERR which states:

8 Application of start and end meter reads on small customer bills

(1) In this rule:

interval meter is a *meter* that measures and records consumption of electricity derived from interval *metering data* (within the meaning of the NER).

(2) subrule 25(1)(j) applies without modification if a small customer's *meter* measures and records consumption of energy only on an accumulation basis.

(3) If a small customer has an interval *meter*, the requirements of subrule 25(1)(j) do not apply unless the required *metering data* is reasonably available.

As noted, rule 8(3) allows retailers not to display the values of meter readings at the start and end of the billing period when the required metering data is not reasonably available.

1.3.2

Victorian Energy Retail Code

Victoria has not adopted the NERR in its entirety and the Victorian Energy Retail Code sets a different legal framework for retailers' billing requirements. Among these different requirements, the Victorian Energy Retail Code includes specific billing requirements for retailers with advanced interval meter customers as follows:³

(1) A *retailer* must prepare a bill so that a *small customer* can easily verify that the bill conforms to their *customer retail contract* and must include the following particulars in a bill for a *small customer*:

(...)

(y) if a *customer's* bill is derived from interval data from a *smart meter*:

(i) the *index read* at the end of the billing period; and

(ii) the *index read* at the start of the billing period; and

² This number could also be an estimation if the bill is an estimated bill.

³ Victorian Energy Retail Code, rule 25. The index read is the total accumulated energy for a data stream retrieved from a meter's register at the time of the meter reading event. AEMO, *Meter Data File Format Specification NEM 12 and NEM 13*, section 4.3.4.

- (iii) the actual tariffs; and
- (iv) the total amount of electricity (in kWh) consumed in each period or class of period in respect of which a relevant tariff applies to a customer.

The Essential Services Commission (ESC) introduced this index read requirement in the Victorian Energy Retail Code in 2010.

1.3.3 Billing information requests

The requirements on retailers with regard to billing information requests are set out in the NERR. As mentioned, the NERR has not been adopted in Victoria but similar billing information requests are set out in the Victorian Energy Retail Code.⁴

Under the NERR, customers are able to request billing information from retailers and retailers are obliged to promptly provide a small customer with its historical billing data for the previous two years.⁵ This information must be provided without charge.⁶

In addition, rule 56A of the NERR and rule 7.14 of the NER specifies that the energy consumption information must be provided in the manner and form required by the Metering Data Provision Procedures (MDPP) issued by the Australian Energy Market Operator (AEMO).⁷

According to rule 7.14 of the NER, retailers and distribution network service providers (DNSPs) must, using reasonable endeavours, respond to customer requests for billing information within 10 business days after receiving the request (subject to exceptions). The MDPP must include a detailed format and a summary data format for interval meter customers with:⁸

7.14(c)(2) for retail customers for whom interval metering data is available, specify the summary data format, which, at a minimum should include the retail customer's:

- i. nature and extent of energy usage for daily time periods;
- ii. usage or load profile over a specified period; and
- iii. a diagrammatic representation of the information in subparagraph (i).

Figure 1.1 below provides examples given by AEMO in its Metering Data Provision Procedures in terms of format and presentation to be used by retailers when answering consumer data requests.

⁴ Victorian Energy Retail Code, rule 28.

⁵ NERR, rule 28(1). A breach of this provision incurs in civil penalty under the NERL.

⁶ It may be provided subject to a reasonable charge where the data requested is for an earlier period (before the 2 years period) or has been requested more than four times in any 12 month period for electricity supply or once in any 12 month period for gas supply. NERR, rule 28(2).

⁷ NERR, rule 56A; NER, rule 7.14.

⁸ NER, rule 7.14.4.

Figure 1.1: AEMO example – Interval metering data summary format

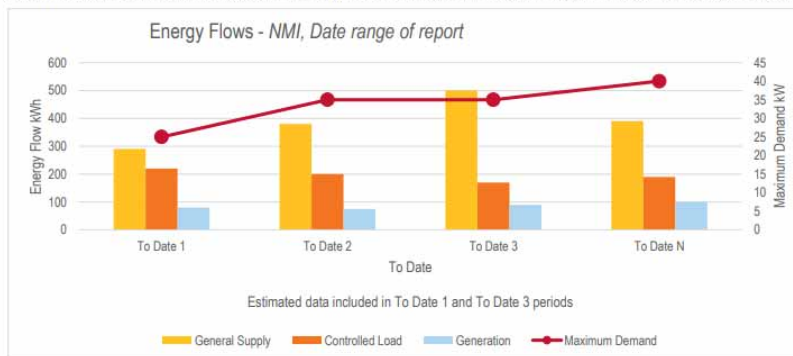
B.1 Example: interval file

Example of data tabulation that would be provided by a *retailer* or *DNSP* for a *connection point* with General Supply usage, Controlled Load usage and separately measured generation *energy* flows and maximum demand.

NMI	Meter Serial Number	UOM	From Date	To Date	General Supply	Controlled Load	Generation	Maximum Demand	Max. Dem. UOM
6xxxxxxxxx	123xxxxx	kWh	From Date 1	To Date 1	290	220	80	25	kW
6xxxxxxxxx	123xxxxx	kWh	From Date 2	To Date 2	380	200	75	35	kW
6xxxxxxxxx	123xxxxx	kWh	From Date 3	To Date 3	500	170	90	35	kW
6xxxxxxxxx	123xxxxx	kWh	From Date N	To Date N	390	190	100	40	kW

B.2 Example: diagrammatic representation of energy usage

Example of diagrammatic representation of data that would be provided by a *retailer* or *DNSP* for a *connection point* with General Supply, Controlled Load usage and separately measured generation *energy* flows and maximum demand. Refer to clause 4.3 for requirements for this diagram.



Source: AEMO, *Metering Data Provision Procedures*, appendix B.

1.3.4

Roles and responsibilities for metering data and billing information

New market participants were created with the competitive framework introduced by *Competition in Metering* in December 2017. The local distributor is no longer the only party responsible for the provision, installation and maintenance of a small customer’s meter and metering data collection and delivery. Under the current rules, the ‘metering coordinator’ is responsible for the metering installations for which it has been appointed and, in turn, it appoints a ‘metering data provider’ (MDP) who is responsible for providing data services, including reading the meter or calculating an estimate to determine the electricity usage of the customer.⁹

In addition, AEMO’s Metering Data Service Level Procedures (MDSLP) establish the requirements for the management of metering data to ensure consistency and data accuracy by market participants.¹⁰ The MDSLP requires metering data providers to use reasonable endeavours to ensure that metering data is collected once every three months for electricity meters. Once it is collected, it must be entered and stored into the MDP’s metering data services database. For interval meters the data stored must be aggregated into a 30-minute

⁹ NER, rule 7.10.1.

¹⁰ NER, Chapter 7, rule 7.16.6; AEMO, *Service Level Procedure: Metering Data Provider Services*, section 2.4.1.

interval net data stream.¹¹ AEMO's metrology procedures also require MDPs to validate this metering data prior to delivering it to AEMO or retailers.¹²

Each MDP must deliver the validated metering data to AEMO and retailers within two business days after it was stored in the metering services database. Once retailers receive the validated metering data, it is used for billing purposes.

1.4 Developments on metering

Historically, electricity consumption for small customers was recorded using accumulation meters. These type of meters provide a single cumulative number that increases with kWh consumed since the meter is installed. This number (cumulative reading) is extracted from the meter every billing period, approximately every 3 months. To bill customers, retailers subtract the actual (latest) cumulative reading from the previous cumulative reading. These two numbers will appear on the bill as previous reading and current reading (start and end meter readings).

Therefore, with an accumulation meter, if customers would like to reconcile their bill by directly reading the meter, they would be able to do the same exercise as the retailer. The customer would have to read its meter at the end of each billing period and subtract the current consumption in the bill to see if it matches. However, it is relevant to note that the customer would have to know the date when the meter is read for billing purposes and if this date is not certain, the customer might find differences.

By contrast, interval meters record consumption every 30 minutes (some have 15-minute intervals) and advanced interval meters provide this data remotely.¹³ Interval meter data is stored by aggregating 30-minute interval net data streams.¹⁴ Each MDP delivers this interval net data streams to AEMO and retailers and once retailers receive it, it is used for billing purposes. Therefore, cumulative meter readings are not collected for billing purposes for customers with advanced interval meters.

Additionally, if a customer is on a time-of-use or demand tariff, retailers will calculate the bill by applying the tariff to each interval data stream or group of interval data streams, depending on the customer's tariff structure and the terms and conditions of the contract. For example, each retailer specifies the time (hour) for peak, shoulder and off-peak tariffs. Therefore, the cumulative meter reading is not used to bill customers with interval meters and applying each tariff to interval readings adds another layer of complexity if a customer wants to reconcile the bill with the number displayed in the meter.

Because interval meters and accumulation meters collect different consumption information (interval v. cumulative data) this is displayed in the meter accordingly. While an accumulation meter screen only displays one cumulative consumption, an interval meter displays more than one number. Depending on the type of meter and the customer's tariff structure, the

11 AEMO, *Service Level Procedure: Metering Data Provider Services*, sections 3.6 and 3.7.

12 AEMO, *Metrology Procedure*, Part B, Metering data validation, substitution and estimation, section 7.

13 Many of the advanced interval meters are capable of providing consumption data on a more frequent (up to 5-minute) basis.

14 AEMO, *Service Level Procedure: Metering Data Provider Services*, sections 3.6 and 3.7.

screens can be set to display peak, off-peak (if applicable) and solar (if applicable). Even if interval meters display a cumulative reading, this number is not used to bill customers.

Another difference between accumulation meters and advanced interval meters is that interval meters can be re-set for a number of reasons. This may occur, for example, when the meter is reprogrammed, probed, there are firmware updates or the meter is reconfigured for solar installations, among others. This operational difference means that the metering data displayed in the meter's screen will re-start and the cumulative reading would no longer match the start and end meter readings displayed in the bill.

With the introduction of advanced interval meters, substituted data and estimated data is much less likely to happen.¹⁵ However, if interval data is not collected as a result of technical issues, such as connection problems, and substituted data is used, the cumulative number displayed in the meter's screen will no longer match the start and end meter readings in the bill. This is another circumstance where the customer might find a difference between the meter readings displayed in the bill and what he reads in the meter.

In conclusion, if a customer with an interval meter attempts to reconcile the bill in the way it is done with accumulation meters, the number that they see in their meter may be different from the start and end meter readings displayed in the bill for several reasons. Additionally, as it happens with accumulation meters, the customer will also have to know when the meter is read or the data is collected. Therefore, the reconciliation exercise with interval meters would not be as straight forward as it is with accumulation meters.

1.5 The rule making process

On 31 January 2019, the Commission published a notice advising of its commencement of the rule making process and consultation in respect of the rule change request.¹⁶ A consultation paper identifying specific issues for consultation was also published. Submissions closed on 28 February 2019.

The Commission received 15 submissions as part of the first round of consultation. The Commission considered all 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 Consultation on draft rule determination

The Commission invites submissions on this draft rule determination by **30 May 2019**.

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 the 23 April 2019.

¹⁵ Consumers with advanced electricity meters that are capable of being remotely read are very unlikely to receive an estimated read bill. AEMC, *Estimated Meter Reads*, final determination, p. 32.

¹⁶ This notice was published under 251 of the National Energy Retail Law (NERL).

Submissions and requests for a hearing should quote project number RRC0026 and may be lodged online at www.aemc.gov.au.

2 DRAFT RULE DETERMINATION

The Commission's draft determination is not to make a draft rule. This chapter outlines the:

- rule making test for changes to the NERR
- assessment framework for considering the rule change request
- Commission's reasons for not making a draft rule.

2.1 Rule making test

2.1.1 Achieving the NERO

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).¹⁷ This is the decision-making framework that the Commission must apply.

The NERO is:¹⁸

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, 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").¹⁹

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.²⁰ 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 Assessment framework

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

- **Enhancing customer information and decision-making** — it is important from the perspective of consumer rights and for a well-functioning retail market that customers have sufficient information on their bill to understand the product, the calculation of amounts due and to choose between multiple market offerings.

¹⁷ Section 236(1) of the NERL.

¹⁸ Section 13 of the NERL.

¹⁹ Section 236(2)(b) of the NERL.

²⁰ That is, the legal tests set out in s. 236(1) and (2)(b) of the NERL.

- **Competition between retailers** — under the current arrangements retailers compete to provide differentiated bundles of services that are most valuable to customers. Where competition is effective, retailers have strong incentives to provide the bundle of services that customers value and set prices that reflect the efficient costs of doing so. At present, this competition extends to different commercial practices including the disclosure of start and end meter readings in the bill and customers have the option to shop around depending on what information they expect to see in their bill and alternative information methods available.
- **Transparency and trust in retailers** — the extent to which the rule change would increase transparency and enhance trust in the industry and promote confidence in retailers.
- **Regulatory and administrative burden** — mandating that retailers include start and end meter readings on interval meter customers' bills may involve changes to billing systems for some retailers. These additional costs may be passed through to consumers.

The proposed rule change is assessed against the relevant counterfactual of not making the proposed change to the NERR. That is, against the current framework whereby retailers are permitted not to display start and end meter readings in the bill for customers with interval meters when the metering data required is not reasonably available.

2.3 Summary of reasons

The rule change request has been evaluated against the assessment framework set out above and having regard to the issues raised in the rule change request and during consultation. The Commission is not satisfied that the proposed rule will, or is likely to, contribute to the achievement of the NERO at this time. On this basis it has decided not to make a draft rule.

The Commission considered when assessing this rule change request whether the underlying issues raised by the proponent are best addressed by competitive market interactions or changes to the rules. The materiality of the issue raised by the rule change request was found to be insufficient to make the proposed change. The Commission's analysis indicates that:

- Not including start and end meter readings in the bill is not a material issue for most electricity customers with interval meters.
- Start and end meter readings would be insufficient to allow customers with interval meters to reconcile their bills. The proposed change could have an unintended consequence of increasing consumer confusion, considering that such meter readings would not always correspond to the customer's energy usage (as interval meters measure usage in intervals and not on a cumulative basis).
- There are alternative market measures that can assist in achieving the purpose of the rule change request. The market already offers various tools for customers to verify their energy consumption that are more effective than the proposed rule change. The current rules also provide an adequate framework that assists consumers in case they need additional support to check their bill or their meter.

- It is not likely that including start and end meter readings in electricity bills would increase trust or transparency in the market. Therefore, the increased levels of regulatory and administrative costs that would arise if a rule is made would not be justified.

3 PREVALENCE OF THE ISSUE

3.1 Proponent's view

The rule change request suggests that the fact that small electricity customers with an advanced interval meter cannot (always) find in their bill a meter reading for the start and end of the billing period is a material issue for customers as it does not facilitate billing reconciliation or improve customers' trust in the market.

3.2 Stakeholder views

The Commission received 15 submissions from stakeholders on the rule change request.²¹

Submissions that oppose a rule being made

In relation to the materiality of the issue raised in the rule change request, some stakeholders considered that the issue is not material and is not likely to become more prevalent over time.²² The main arguments raised by stakeholders include:

- The issue is immaterial given that the quantity of customers that complain about not being able to see start and end meter readings in their bill is very low.²³
- The issue is likely to become less prevalent over time as consumers are getting more familiar with advanced interval meters and the tariff structures available in the market.²⁴ EnergyAustralia argued that with a greater push for cost reflective tariffs, it is understandable that there will be a reduction in the single rate tariffs and corresponding reduction in the need for start and end reads.²⁵
- Customers have various ways of verifying their energy usage with the information provided in the bill (historical consumption graphs, total consumption). They can also request billing information,²⁶ or meter testing and billing review²⁷ under the NERR and, with other tools available for consumers to verify their consumption, the issue is likely to become less prevalent over time.²⁸

Some stakeholders mentioned additional considerations for the draft determination, as follows:

21 AGL, Alinta, Aurora Energy, EnergyAustralia, Energy Queensland, ERM Power, Energy and Water Ombudsman NSW (EWON), Energy and Water Ombudsman Queensland (EWOQ), Dr Martin Gill, Momentum Energy, Nathaniel Sawyer, Origin, Public Interest Advocacy Centre (PIAC), Powershop, Red and Lumo.

22 Submissions to consultation paper: AGL, p. 4; Alinta, p. 1; EnergyAustralia pp. 1-2; Energy Queensland pp.5-8; ERM Power, pp. 1-3; Dr. Martin Gill, p. 1; Momentum Energy, pp. 1-2; Nathaniel Sawyer, p. 1; Red and Lumo, p. 3.

23 AGL indicated that it received limited complaints directly related to the index reads and to verifying energy usage shown in bills (consultation paper submission, p. 4); Energy Queensland indicated that their Retail Customer Solution Centre and billing teams (Ergon Energy) received very few queries (four since 1 December 2017) in relation to start and end meter readings on electricity bills from customers with interval meters and that those were successfully resolved utilising existing mechanisms (consultation paper submission, p. 6); EnergyAustralia received 8 internal and Ombudsman complaints related to this issue (consultation paper submission, pp.1-2); ERM Power stated that has not received any complaints from customers regarding start and end billing period data (consultation paper submission, p.4); Dr Martin Gill, consultation paper submission, p.1.

24 Submissions to consultation paper: Alinta, p. 2; Energy Queensland, p. 6; Momentum Energy, attachment p. 2.

25 EnergyAustralia, consultation paper submission, p. 4.

26 NERR, part 2, s. 28, 56B.

27 NERR, part 2, s. 29.

28 Submissions to consultation paper: EnergyAustralia, p. 2; ERM Power, p. 1; Momentum Energy, attachment p. 2; Nathaniel Sawyer, p. 2.

- Momentum Energy argued that most customers do not use or have a need to validate their bill with their meter via the start and end index reads. Benchmark validation can readily be undertaken using the same time last year average consumption or the previous month's consumption graph.²⁹
- Red and Lumo were of the view that if a customer remains concerned regarding the accuracy of the meter, they can request that the meter provider (or the distributor in Victoria) undertake a meter accuracy test.³⁰
- This position was supported by Origin, which considers that the current rules provide the necessary safeguards to allow a customer to question their bill in the event that they are concerned about its accuracy.³¹

Submissions that support a rule being made

While stakeholders generally considered that the issue raised in the rule change to be immaterial, some stakeholders supported the proponent's perspective. The following were their main comments:

- The issue raised in the rule change request is material to specific customers. Customers complain to Ombudsman agencies because they are expecting to see start and end meter readings on the bill.³²
- Not having the start and end meter readings adds complexity to customers who want to reconcile their bill before the payment is due. This is to take advantage of some commercial benefits offered by retailers such as 'Pay on Time' discounts.³³
- The current rules do not facilitate the level of consistency and transparency that consumers require in the provision of usage and billing information.³⁴
- The tools provided by retailers are not comprehensive, may lead to errors and the level of information is not acceptable to assist customers. It does not include simple language and is not easy to interpret.³⁵

The Energy and Water Ombudsman NSW (EWON) mentioned that when dealing with a complaint about a high bill, it often emerges that a customer was not aware that the transition to a digital meter would result in the loss of start and end meter readings on their bill. It considers that this can lead to a lack of consumer confidence, particularly when consumers are required to 'trust' that their retailer has billed them correctly.³⁶

The Energy and Water Ombudsman Queensland (EWOQ) is of the view that start and end meter readings should be included in energy bills for all customers, regardless of where they reside or their meter type.³⁷

29 Momentum Energy, consultation paper submission, p. 2.

30 Red and Lumo, consultation paper submission, p. 3.

31 Origin, consultation paper submission, p. 2.

32 Submissions to consultation paper: EWON, p. 1; EWOQ, p. 1.

33 EWON, consultation paper submission, p. 2.

34 Public Interest Advocacy Centre, consultation paper submission, p. 1.

35 Submissions to consultation paper: EWON, p. 2; EWOQ, p. 2.

36 EWON, consultation paper submission, p. 1.

37 EWOQ, consultation paper submission, p. 2.

Powershop was the only retailer who supported that a rule change should be made by removing the transitional rule. Powershop already provides the start and end meter readings in the bill for all of its customers in the national electricity market (NEM) and mentioned it was not aware that this was an issue for smart meter customers. Powershop was of the view that this issue would become more prevalent over time given the increased take-up of advanced interval meters.³⁸

3.3 Analysis

To understand the materiality of the issue raised in the rule change request, the Commission considered the evidence submitted by stakeholders and analysed the number of customer complaints received from Ombudsman agencies.

As mentioned in section 3.2 stakeholders are of the view that few customers with advanced interval meters find that not having the start and end meter readings in their energy bills is an issue.³⁹ The largest number reported by stakeholders, of customers complaining about a similar issue since the introduction of competition in metering on 1 December 2017, was eight complaints.⁴⁰

Additionally, the Commission sought to understand the scale, and likely future scale, of the issues raised by the rule change proponent using complaints data sent by Ombudsman agencies. For the data analysis, as the different Ombudsman agencies do not have a specific category for the issue raised by the rule change proponent, we instead present data for the nearest proxy in each jurisdiction. As such, the data in this chapter is intended to provide an *indication* of the level of complaints relating to billing of advanced interval meter customers and should not be relied upon as an exact measure of the issue.

In New South Wales (NSW), EWON received 20 complaints last financial year related to the issue raised in the rule change request, compared to a total of 285 complaints related to advanced interval meters.⁴¹ In South Australia (SA), the Energy and Water Ombudsman of South Australia (EWOSA) received around 6 complaints last financial year related to this issue from a total of 2,185 complaints related to other metering issues (~0.2%).⁴²

To analyse if the issues were systemic across advanced interval meter customers, it would be expected that the number of complaints relating to the issue would increase in proportion to the number of advanced interval meters. The following figures illustrate the number of advanced interval meters installed in NSW and SA (left vertical axis), and the number of complaints received by EWON and EWOSA related to advanced interval meters (right vertical axis).

38 Powershop, consultation paper submission, p. 1.

39 Submissions on consultation paper: AGL, p. 4; Alinta, p. 1; Energy Queensland, p. 6; ERM Power, p. 3; Red and Lumo, p. 4; Powershop, p. 2.

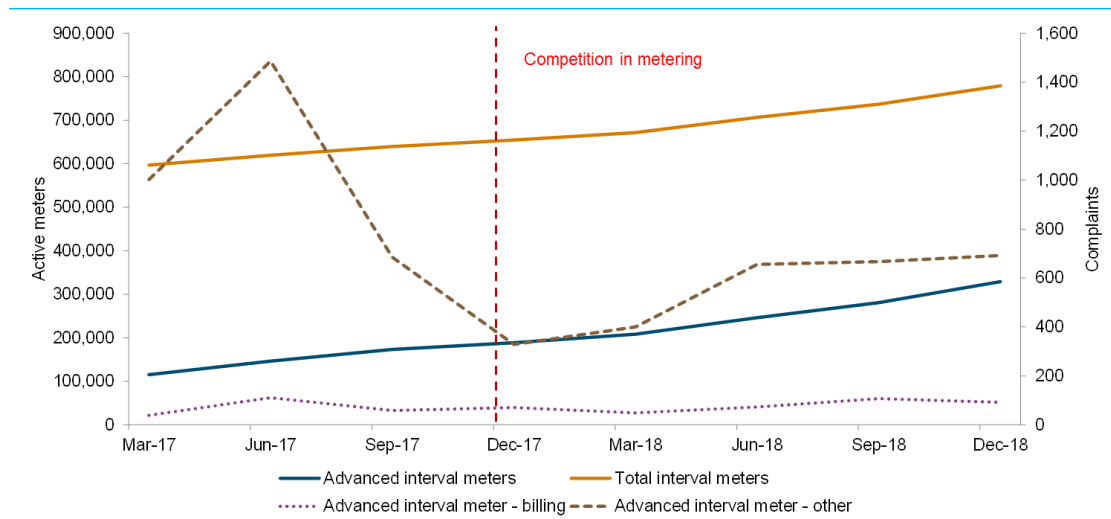
40 EnergyAustralia, consultation paper submission, p. 2.

41 EWON, complaints data received by email on 7 February 2019, in response to AEMC request

42 EWOSA, complaints data received by email on 18 February 2019, in response to AEMC request

New South Wales

Figure 3.1: NSW advanced interval meter take-up v. customer complaints



Source: AEMO MSATS and EWON, complaints data received by email on 7 February 2019, in response to AEMC request.

Note: The category 'Advanced interval meter - billing' are those complaints with a primary issue 'digital meter exchange' and secondary issue 'billing' in EWON's annual report.

In NSW, there has been a steady level of complaints in the category “advanced interval meter - billing”. On average EWON received 75 complaints per quarter for the period March 2017 to December 2018 (see Figure 3.1). It should be noted that the number of complaints relating to the specific issues raised by the rule change proponent are only a subset of these complaints. The number of complaints has remained relatively flat despite the number of advanced interval meters increasing substantially over this period (from around 115,000 to 329,000).

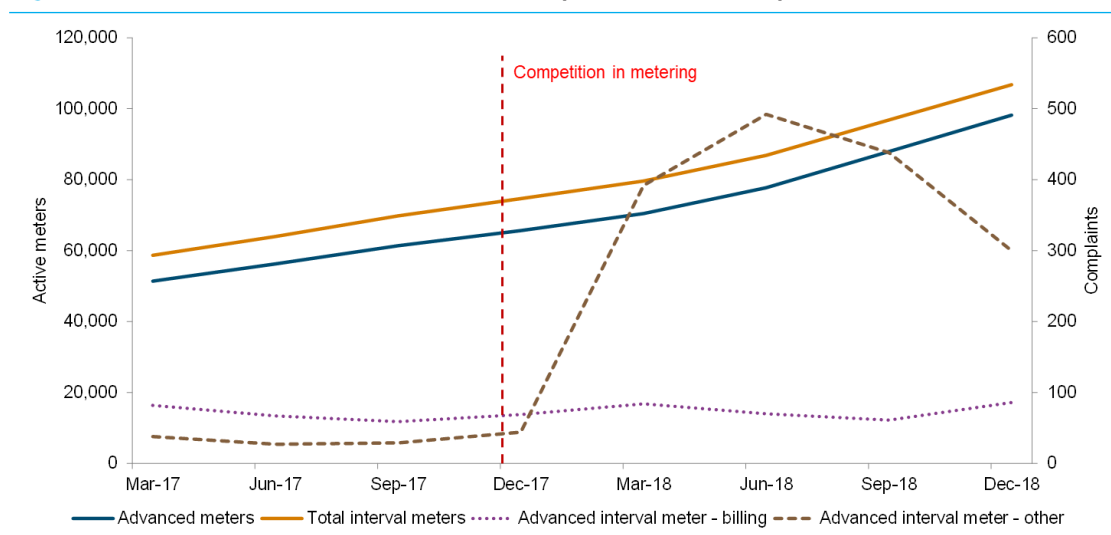
Based on the rate of complaints in NSW, the Commission observes that the scale of the issue is not increasing with the number of installed advanced interval meters and that therefore it is not expected that the scale of the issue will increase over time.

South Australia

Similarly, Figure 3.2 presents data from EWOSA showing that the number of complaints relating to billing for advanced interval meters, the subset related to the rule change request, remained steady around an average of 72 per quarter for the period March 2017 to December 2018. Over the same period the number of advanced interval meters in the State increased by around 90% (from 51,000 to 98,000). The spike in complaints relating to other issues is due to a sharp increase in complaints classified as 'delays'.⁴³

⁴³ The AEMC completed a rule determination to provide customers with new or replacement electricity meters within set time frames. AEMC, Metering installation timeframes, final determination, 6 December 2018.

Figure 3.2: SA advanced interval meter take-up v. customer complaints



Source: AEMO MSATS and EWOSA, complaints data received by email on 18 February 2019, in response to AEMC request.
Note: Complaints figures based on EWOSA analysis of advanced interval meter complaints.

We note that the number of billing complaints for advanced interval meters has not increased in line with the number of advanced interval meters in South Australia.

Overall, we observed that the number of complaints is stable, with a fall in complaints as a proportion of the amount of advanced interval meters installed. Based on these figures the Commission also expects that the materiality of the issue raised by the rule change proponent is unlikely to increase in the future.

Additionally, as mentioned by stakeholders (see Table 5.1), there are a range of tools available for customers with advanced interval meters to access and track their energy consumption, including on a real-time basis.⁴⁴ Moreover, the NERR already provides different consumer protections for consumers to request their energy usage⁴⁵, check their bill⁴⁶ and their metering data⁴⁷.

In conclusion, given the issue raised by the proponent only affects a small number of customers, and with the various tools and protections available in the market to support them, the Commission is of the view that the issue raised in the rule change request is not a material issue for energy customers with interval meters. In addition, the issue will have diminished importance over time as energy management tools and solutions continue to emerge in the market and consumers become accustomed to advanced interval meters and the tools available to them.

44 Online portals, mobile applications, online guides, home devices, etc.
45 NERR, part 2, s. 28.
46 NERR, part 2, s. 29(1).
47 NERR, part 2, s.29(5).

4 OTHER ISSUES RAISED IN THE RULE CHANGE REQUEST

4.1 Proponent's view

The proponent also mentioned other issues based on his experience with advanced interval meters:

- retailers do not provide enough information for customers to understand how to read their new smart meters correctly
- the electricity market is not transparent about the change in information when an advanced interval meter is installed (installation procedures and use).

Even though these issues are not directly related to the key issue raised in the rule change request, the Commission was of the view that they should also be consulted on, so they were included in the consultation paper.

4.2 Stakeholder views

EWON noted that many digital meters are capable of being read by customers and that some retailers publish guidelines on 'how to read your meter' on their websites. However, it considers that these instructions are often not comprehensive and may lead to consumer error. In addition, EWON found that many customers, such as those residing in apartment complexes, do not have access to their meter.⁴⁸

Additionally, EWON noted that some retailers provide online access to customer meter data which helps customers reconcile bills. However, many retailers do not provide these tools and there are some customers who do not have access to internet.⁴⁹

EWOQ made similar observations, noting that there are retailer websites that contain information on interval metering to assist customers with understanding their bills and energy consumption whereas, other customers utilise social media platforms such as YouTube for assistance. Whilst information and tools are available on retailer websites and via YouTube, to assist with 'how to read advanced meters', EWOQ's experience is that this level of information does not provide an acceptable level of assistance. This lack of information results in customers contacting EWOQ to provide support. Additionally, it is EWOQ's understanding that customers are currently not provided with any information regarding interval metering.⁵⁰

In addition, EWOQ was of the view that retailers should provide easy to interpret (non-technical) fact sheets, utilising info-graphics and simple language to assist customers in understanding advanced interval meters. Further, it considered that when a notice is provided to customers that an interval meter is to be installed at their property, a copy of the fact

48 EWON, consultation paper submission, p. 2.

49 EWON, consultation paper submission, p. 2.

50 EWOQ, consultation paper submission, p. 2.

sheet to support the customer in understanding the meter and how to read the meter should also be provided.⁵¹

4.3 Analysis

How to read advanced interval meters

With the introduction of advanced interval meters in the NEM, different retailers have included on their websites instructions and explanations on how to read advanced interval meters, such as online portals, videos and frequently asked questions (FAQs). Other market participants, such as Ombudsman, publish 'tips', FAQ sheets and online guides explaining how to read advanced interval meters, the responsible parties for smart meter reading and how smart meter data is collected and verified.

Information about the use of advanced interval meters and installation procedures

The AER has a web page specifically for general inquiries on advanced interval meters.⁵² The portal includes installation procedures, potential problems and benefits for consumers. There is a case study to illustrate how customers can use and benefit from advanced interval meters. Different Ombudsman publish on their websites the relevant issues for customers to consider when having advanced interval meters installed, the benefits and retailer's responsibilities (FAQ sheets). Other governmental authorities, such as NSW Fair Trading, provide specific information on advanced interval meter requirements, installation requirements and responsibilities and metering service rules.⁵³

The Commission found that most retailers offer tools to help customers understand how advanced interval meters work.⁵⁴

Some retailers have developed online guides to help customers understand their meter and their energy bill; there has been investment in developing mobile applications for customers to access real-time energy usage information; and to offer new appliances to monitor energy usage. Advanced interval meters provide scope for retailers to offer more innovative products and new 'add on' energy management services.⁵⁵

Therefore, the Commission considers that the market, through retailers and other market participants, such as Ombudsman agencies, regulators and state governments, is providing enough information for customers to understand advanced interval meters and that with more innovations being introduced, more information is expected to be available. On this basis, the Commission has decided not to make a draft rule to address these issues.

51 EWOQ, consultation paper submission, p. 2.

52 AER, <https://www.aer.gov.au/consumers/my-energy-service/smart-meters>.

53 NSW Fair Trading, <https://www.fairtrading.nsw.gov.au/trades-and-businesses/business-essentials/information-for-specific-industries/smart-meter-providers>; Queensland Government, <https://www.qld.gov.au/housing/buying-owning-home/energy-water-home/electricity/digital-meters/digital-meter-installation>

54 See Table 5.1.

55 AER, *State of the energy market 2018*, p. 32.

5 POTENTIAL SOLUTIONS

Although the Commission has decided not to make a rule, the consultation paper did consider potential solutions to the issue raised in the rule change request. This section summarises stakeholders views and the analysis of these potential solutions. The potential solutions were:

Eliminate the transitional rule

This amendment to the NERR would involve eliminating the transitional rule,⁵⁶ which allows retailers not to display the start and end meter readings of the billing period when the required metering data is not reasonably available. Under this option, all retailers would have to include in their bills the start and end meter readings for each billing period regardless of the customer's metering type.

Adopt the Victorian solution

The Victorian Essential Services Commission (ESC) modified the Victorian Energy Retail Code requiring retailers to include a start and end index read on bills for advanced interval meter customers from 1 July 2012.⁵⁷ Under this option, all retailers would have to include in their bills start and end index reads of each billing period for customers with smart meters.⁵⁸

Alternative solutions

The Commission was also interested in exploring other potential solutions and considered the Consumer Data Right (CDR) as a potential solution to the issue raised in the rule change request. As noted in the consultation paper, the Government is implementing a CDR in banking, electricity and telecommunications as part of its commitment to giving Australians greater control over their data.⁵⁹ With the introduction of the CDR, it is expected that customers will be able to give the relevant authorisation for a third party to access their data and help them make decisions on the options available in the market and to find an offer that best suits them. For example, customers could be provided with the lowest market offer available given their consumption profile, advice on solar and battery take-up, or the provision of bill checking services.

5.1 Proponent's view

The proponent's solution is to require all energy retailers to include in their bills a start and end meter reading for each billing period for advanced interval meter customers. To implement this solution the NERR would need to be amended.

⁵⁶ NERR, schedule 3 Savings and transitional rules, part 4, rule 8(3).

⁵⁷ The index read is the total accumulated energy for a data stream retrieved from a meter's register at the time of the meter reading event. AEMO, Metering data file format specification, NEM12 & NEM13.

⁵⁸ Victorian Energy Code, section 25(1)(y).

⁵⁹ AEMC, *Bill contents — customers with interval meters*, consultation paper, p. 19.

5.2 Stakeholder views

The majority of stakeholders opposed the implementation of the potential solutions raised in the consultation paper.

Most retailers highlighted that including start and end meter readings in energy bills would introduce additional costs with no benefits for customers and that it might, on the contrary, lead to more confusion or reduce customer trust.⁶⁰

EWON supported that a rule is made. However, it did not specify a preferred solution, i.e. eliminate the transitional rule or adopt the Victorian solution. EWON did comment that retailers should display these values given that the data is considered to be always 'reasonably available', considering that they are required to provide start and end reads on invoices for customers in Victoria pursuant to the requirements of the Victorian Energy Retail Code. It also noted that there are several retailers that already include start and end reads on bills for their NSW customers.⁶¹

Eliminate the transitional rule

Stakeholders mentioned that there is an overarching technical difference between interval meters and accumulation meters that must be considered when deciding to include start and end meter readings in energy bills. Interval data is used by retailers to bill customers with interval meters. Once it is collected, retailers will apply each customer's tariff structure (flat, block, time-of-use and demand tariffs) to calculate the bill. Even if these meters record a cumulative reading, this number is not used to bill customers. In contrast, accumulation meters only collect cumulative readings. Once this single number is collected, retailers apply a single rate tariff; this cumulative number is the only number retailers use⁶² to bill customers with accumulation meters.⁶³

Stakeholders noted there are two key reasons why start and end meter readings from interval meters will not help customers understand and reconcile their bills, and indeed why the inclusion of such information on bills may lead to increased confusion or reconciliation difficulty:

1. Advanced interval meters can be re-set periodically for different reasons, which is not the case with accumulation meters. For example, these meters can be re-set to zero when the meter is reprogrammed, probed, the data is downloaded, firmware updates are installed, meters are exchanged or when the meter needs to be reconfigured for solar panel installations, among other activities. Another situation where a meter might be re-set is when the 5-minute settlement rule commences. This may affect a substantial number of customer meters. Consequently, the cumulative number displayed in the meter may not correspond to the meter data used by retailers to bill customers.⁶⁴

60 Submissions to consultation paper: Alinta, p. 1; AGL, p. 1; Aurora Energy, p. 1; EnergyAustralia, p. 3; Energy Queensland, attachment p. 2; ERM Power, p. 2; Dr Martin Gill, p. 2; Nathaniel Sawyer, p. 3; Momentum Energy, p. 2; Origin, p. 2; Red and Lumo, p. 1.

61 EWON, consultation paper submission, p. 1.

62 Unless the bill is an estimated bill, as it was discussed in section 1.4.

63 Submissions to consultation paper: Aurora Energy, p. 2; EnergyAustralia, p. 3; Energy Queensland, p. 4.

64 Submissions to consultation paper: AGL, p. 2; Red and Lumo, p. 1.

2. When estimated data is used for billing purposes,⁶⁵ the consumption displayed in the bill will not match the start and end meter readings in the bill and neither will match the number displayed in the screen of the meter.⁶⁶

AGL is a retailer that includes start and end meter readings in their customer bills in all jurisdictions in the NEM. However, it acknowledged that these are only reference readings, and customers are advised that the reference reads are a 'guide only' and that they cannot verify their bill with these values.⁶⁷ AGL also mentioned that there are circumstances where start and end meter readings are not provided to them (either by the distributor or the Metering Data Provider). In these instances, the customer might have received a 'N/A' displayed in the start and end readings fields within the bill.⁶⁸

Alinta considered that there is limited benefit (but material implementation costs) associated with the rule change request and does not believe it should be made at this time.⁶⁹ It also mentioned that adding potentially inaccurate data to bills (from a financial settlement perspective) in the form of index reads will not contribute to the NERO or build customer confidence in the market if it subsequently results in complaints and additional costs.⁷⁰

Aurora Energy was of the view that a customer's need for bill transparency can easily be provided without requiring a physical interaction between the customer and their meter.⁷¹ It also mentioned that for advanced metered customers, maintaining start and end reads becomes an artificial construct to support a legacy billing model. It noted that in some cases, maintaining start and ends reads may reduce transparency rather than enhance customer confidence in meter data.⁷²

EnergyAustralia noted that if a rule is made, its preferred option is to remove the transitional rule in the NERR, as this would give some flexibility to retailers on how to present the information, as opposed to the prescriptive option adopted in Victoria.⁷³

ERM Power considered that the rule change is seeking to provide billing transparency solutions which are misplaced. Advanced interval metering technology is accompanied by a suite of innovative solutions for customers to analyse and manage their consumption data. A billing requirement intended to mimic type 6 meter read values does not improve quality of information for consumers and is not appropriate for new technologies.⁷⁴

65 Consumers with advanced electricity meters that are capable of being remotely read are very unlikely to receive an estimated read bill. AEMC, *Estimated Meter Reads*, final determination, p. 32.

66 Submissions to consultation paper: Alinta, p. 1; Aurora Energy, p. 2; Momentum Energy, p. 5; Origin, pp. 2-3.

67 AGL, consultation paper submission, p. 2.

68 AGL, consultation paper submission, p. 5.

69 Alinta, consultation paper submission, p. 5.

70 Alinta, consultation paper submission, p. 4.

71 Aurora Energy, consultation paper submission, p. 1.

72 Aurora Energy, consultation paper submission, p. 2.

73 EnergyAustralia, consultation paper submission, p. 3.

74 ERM Power, consultation paper submission, p. 2.

The majority of stakeholders were of the view that eliminating the transitional rule would not achieve the expected outcomes to facilitate bill reconciliation and neither would it improve customer trust or transparency in the market, as suggested by the proponent.⁷⁵

However, some stakeholders were of the view that a rule should be made.⁷⁶ The reasons mentioned were the following:

- PIAC commented that including start and end meter readings in all energy bills would increase transparency in the market and trust in retailers. It claimed this requirement is a simple, understandable and consistent piece of information that consumers are accustomed to. PIAC considered that the solution that should be adopted is elimination of the transitional rule. PIAC was of the view that the administrative burden is a minor element relative to the benefits to customers.⁷⁷

Powershop stated that eliminating the transitional rule is the cleanest and most effective solution to solve the issue raised in the rule change request.⁷⁸

Adopt the Victorian solution

Retailers suggested a similar set of issues as for the transitional rule solution, more relevant to the Victorian solution.

- Some stakeholders considered that the Victorian solution did not improve customer's trust, increase transparency or support customers to reconcile their bill.⁷⁹
- EnergyAustralia indicated the issue to be one for a competitive market to deal with and that customer preferences, observed through churn, will deliver the best outcomes for customers.⁸⁰
- AGL stated that reference readings are not a logical reference point for customers that have pricing structures based on load shape and profile, i.e. time-of-use and in future demand pricing, where a different rate can be charged based on the time the consumption is used.⁸¹
- Even though Momentum Energy did not support a rule to be made, it commented that if a rule is made, then the Victorian solution would minimise billing, metering and market system changes for retailers, given all retailers in Victoria have already adjusted their system to comply.⁸² Momentum also noted that the implementation of index reads in Victoria was intended to minimise the negative sentiment that accompanied the mandatory roll-out of advanced interval meters and that the Code was modified without considering how consumers may utilise this data.⁸³

75 Submissions to consultation paper: Alinta, pp. 2-4; AGL, p. 6; Aurora Energy, p. 2; EnergyAustralia, p. 4; Energy Queensland, p. 5; ERM Power, p. 2; Dr Martin Gill, p. 2; Nathaniel Sawyer, p. 4; Momentum Energy, p. 3; Origin, p. 1; Red and Lumo, p. 1.

76 Submissions to consultation paper: EWON, p. 1; EWOQ, p. 2; PIAC, pp. 1-2; Powershop, p. 2.

77 PIAC, consultation paper submission, pp. 1-2.

78 Powershop, consultation paper submission, p. 2.

79 Submissions to consultation paper: Alinta, p. 1; EnergyAustralia, p. 3; ERM Power, p. 2; Momentum Energy, p. 1; Red and Lumo, p. 6.

80 EnergyAustralia, consultation paper submission, p. 4.

81 AGL, consultation paper submission, p. 5.

82 Momentum Energy, consultation paper submission, p. 3.

83 Momentum Energy, consultation paper submission, p. 5.

- Origin mentioned that AEMO’s Metering Data Service Level Procedures establish the requirements for managing metering data. These Procedures are designed to ensure consistency and accuracy of data to facilitate billing of customers. Origin considered that an important feature of these procedures is the requirement that Meter Data Providers validate the metering data prior to delivering it to the relevant stakeholders. This validation ensures that the subsequent billing of customers via the retailer is reflective of the data recorded by the customers’ meter.⁸⁴

Red and Lumo considered that a negative impact from the Victorian solution is that questions have been raised regarding the accuracy of the data from index reads. It noted that customers with advanced interval meters have made complaints regarding the accuracy of start and end meter readings index reads.⁸⁵

Alternative solutions

Consumer Data Right

The majority of stakeholders considered that the CDR framework could be an additional avenue to support customers in decision-making through third parties and it is likely that it would address some of the issues raised in this rule change request. However, further information will be required to understand the specific impacts of the reforms.⁸⁶

EnergyAustralia, however, noted that the rule change request did not imply that access to the data (start and end read, or total consumption) was refused, and therefore was of the view that the CDR reform would not address the proponent’s concerns; unless it specifically requires retailers to put the start and end read on bills.⁸⁷

Other alternatives

Most stakeholders did not provide a specific alternative solution, however they all mentioned that there are various tools currently available for customers to aid in the understanding and tracking of their energy consumption; to understand how the different meters work and what is displayed on the screens; and how to read their meter and their bill. Table 5.1 lists the different tools offered by each retailer for customers with advanced interval meters.

Table 5.1: Other tools/solutions available for customers with advanced interval meters

STAKEHOLDER	OFFERED TOOLS
AGL	<ul style="list-style-type: none"> • Online guide “Your energy bill explained” • Online and mobile application to set up “My account” and monitor energy usage • AGL’s Customer Service Centre for support to verify energy bills

⁸⁴ Origin, consultation paper submission, p. 1.

⁸⁵ Red and Lumo, consultation paper submission, p. 5.

⁸⁶ Submissions to consultation paper: AGL, p. 6; Alinta, p. 4; Energy Queensland, p. 6; ERM Power, p. 2.

⁸⁷ EnergyAustralia, consultation paper submission, p. 4.

STAKEHOLDER	OFFERED TOOLS
	<ul style="list-style-type: none"> Online Energy Insights Report where customers can see a tailored report on their energy consumption, tips to be more efficient based on usage patterns.
Aurora Energy	<ul style="list-style-type: none"> Mobile-based application to track energy consumption on a daily basis.
EnergyAustralia	<ul style="list-style-type: none"> Mobile application 'my account' to allow customers download daily, monthly and annual usage data. Includes breakdown of different streams, consumption and generation.
Energy Queensland	<ul style="list-style-type: none"> Digital platform that enables customers to download up to two years of billing information (access raw interval meter data and diagrammatic representation for specific periods) Online guide to read and understand electricity bills, including video tour Online interactive 'high bill' check-list to assist customers to understand why their bill may be higher than expected Online energy use calculators to help customers understand energy usage, how much it costs and how they might manage their usage Other channels to request billing and metering information (email, telephone or post).
Powershop	<ul style="list-style-type: none"> Mobile applications and online portals with usage graphs, heat maps, solar usage information and self-meter read submission.

Source: Submissions to consultation paper: AGL, pp. 2-3; Aurora Energy, p. 2; EnergyAustralia, p. 2; Energy Queensland, attachment p. 3; Powershop, p. 2.

In addition, Origin mentioned that the concerns raised in the AEMC's consultation paper can be adequately addressed under the current regulatory framework.⁸⁸ It also considers that that retailers need to accept ownership for educating customers about their energy usage and understanding their bills. It considers that better education and access to customer's interval usage will provide greater benefits to customers than changing bill contents requirements under the NERR.⁸⁹

5.3

5.3.1

Analysis

Developments on metering

The Commission noted the technical differences between interval and accumulation meters with implications for customers and billing purposes (see section 1.4). To eliminate the transitional rule or adopt the index reads of Victoria, the Commission is aware of the following implications:

⁸⁸ Origin, consultation paper submission, p. 2.

⁸⁹ Origin, consultation paper submission, p. 2.

- Customers would not be able to reconcile their bill with interval meters as it is not as straight forward as it is with accumulation meters. Customers would find discrepancies between their meter and their bill.
- Some benefits of advanced interval meters digital capabilities also have drawbacks (from the traditional perspective), such as meter re-set, meter reprogramming, etc.
- An estimated bill, which is less likely to happen for customers with advanced interval meters, has discrepancies with the number that customers read on the meter's screen when reconciling the bill.

5.3.2

Analysis on the Victorian case

As noted in the consultation paper⁹⁰, the Victorian Essential Services Commission (ESC) published an issues paper in April 2010 to review the regulatory framework seeking to support advanced interval meters roll out and to protect customers in Victoria. The document included billing information as a key issue for consultation and the ESC considered that customers with advanced interval meters would need to be able to reconcile their usage with the charges on their bills. In December 2011, the ESC completed the review and published a final decision requiring retailers to include a start and end index read on bills for advanced interval meter customers from 1 July 2012.⁹¹

The Victorian Energy and Water Ombudsman (EWOV) monitored the number of complaints during the advanced interval meter roll-out and published a report from 2008 to 2016. In its latest report, EWOV noted a decline in the number of complaints received. This decline was reported as "unsurprising" given that the advanced interval meter roll-out was effectively completed and became "business as usual" for consumers. Interestingly, EWOV continued to receive complaints from customers with advanced interval meters experiencing issues with the accuracy of their consumption data on their bills (customers continued to complain about advanced interval meter data formats and start and end meter readings on their bills).⁹²

In addition, the Commission received indicative data on the number of complaints related to index reads. The data indicates that billing reading issues are a minor issue for electricity customers and that Victorian customers became more familiar with advanced interval meters after the roll out finalised. In addition, within the billing issues category, the change in the Victorian Code did not result in a direct reduction in the number of complaints relating to index reads, which remain a significant proportion of the billing reading issues. One reason for this could be that customers found start and end index reads confusing (as explained in section 1.4 and mentioned by stakeholders in their submissions). Therefore, what is proposed in the rule change is likely to be ineffective.

90 AEMC, *Bill contents — customers with interval meters, consultation paper*, March 2019, p. 18.

91 EWOV, *Solar and Smart Meter Report*, final report, July 2016.

92 EWOV, *Solar and Smart Meter Report*, final report, July 2016, p. 5.

5.3.3 Improving customer information and transparency to enhance customers decision-making and trust in retailers

With the evidence collected from the Victorian market, the Commission is of the view that including start and end meter readings in bills is unlikely to enhance customer information and decision-making and therefore it is also unlikely to increase transparency or improve customer's trust in the industry. As noted by a number of stakeholders, it may actually increase confusion for customers. After reviewing the trend of complaints in Victoria, the Commission confirmed that customers are likely to become more familiar with advanced interval meters and alternative methods of understanding usage and bills, and therefore, start and end meter readings would become less relevant over time.

The Commission considers that the main challenge for the market should not be to maintain traditional measures, such as start and end meter readings, but to evolve and educate customers on the use of new technologies to bring them better outcomes. The Commission agrees with some stakeholders that, informing and introducing better tools for customers to help them understand advanced interval meters, is the preferred way forward to help them benefit from the innovations in the market.

5.3.4 Competition between retailers

The Commission considered when assessing this rule change request whether the underlying issues raised by the proponent are best addressed by competitive market interactions or changes to the rules.

Retailers compete to provide differentiated bundles of services that are most valuable to customers. Where competition is effective, retailers have strong incentives to provide the bundle of services that customers value and set prices that reflect the efficient costs of doing so. This competition occurs across a number of dimensions, including the provision of additional detailed usage and billing information.

The Commission also considers that the Consumer Data Right reform, even though still at an early stage of development, will facilitate access to metering data for customers, and authorised third parties, to support their decision-making on energy services. The CDR is expected to provide additional services that are more likely to increase trust and improve transparency in the market than including start and end meter readings.

Therefore, the Commission considers the market and the in-progress CDR process already provide alternative solutions that more effectively achieve the purposes of the rule change request.

5.3.5 Regulatory and administrative burden

Another important aspect that needs to be evaluated relates to the costs associated in making the rule.

Stakeholders provided limited information on the costs of including start and end meter readings in bills for all customers in the NEM. However, most stakeholders stated that mandating retailers to include the start and end meter readings in bills for customers with

interval meters would involve a number of modifications that could impose additional costs for retailers.⁹³

For example, Energy Queensland noted that it would incur costs related to:⁹⁴

- billing system enhancements to facilitate the changes to meter data file formats
- metering data file format modifications
- changes to bill design / layout
- modification to systems used by MDPs to provide start and end meter readings
- other potential system changes to support any necessary amendments to AEMO's Metering Data Provision Procedures
- increased enquiries from customers experiencing difficulties reconciling an index read against the information displayed on their advanced interval meter.

The Commission considers that imposing these costs is not in the long term interest of consumers and that if a rule is made, these costs may be passed through to customers. Given that the proposed rule change might not enhance consumer information nor increase trust or transparency in the market as proposed by the proponent, the Commission is of the view that the costs of implementing the rule would outweigh the benefits of the rule change.

5.3.6

Other considerations

EWON also noted that there can be other situations where customers may not be able to easily reconcile their bill:

1. Sometimes customers have limited access to the meter (physically)
2. Some consumers do not have internet which means that they are not able to access online portals or tools to reconcile their bill.⁹⁵

In regard to the first situation, the Commission is of the view that advanced interval meters were introduced in the market to offer more benefits than accumulation meters and that one of these benefits is the remote connection for meter reading. As previously mentioned (see Table 5.1), retailers are offering various tools for customers to access their energy consumption, such as online portals and mobile applications. Therefore, the Commission expects that the need to access the meter physically will decrease over time as more advanced interval meters are installed and new methods of accessing usage and billing data are developed.

In regard to the second situation, the Commission considers that providing start and end meter readings to those customers without internet connection is not likely to help them reconcile their bill, for the same reasons explored in section 1.4.

⁹³ Submissions to consultation paper: Alinta, p. 3; Aurora Energy, p. 1; EnegyAustralia, p. 3; Energy Queensland, pp. 1-2 and attachment p. 1; ERM Power, p. 2; Dr Martin Gill, p. 3; Momentum Energy, p. 3; Red and Lumo, p. 5.

⁹⁴ Energy Queensland, consultation paper submission, pp. 1-2 and attachment p. 1.

⁹⁵ EWON, consultation paper submission, p. 2.

5.3.7

Conclusion

The rule change request has been evaluated against the assessment framework set out in chapter 2 and having regard to the issues raised in the rule change request and during consultation, the Commission is not satisfied that the proposed rule will, or is likely to, contribute to the achievement of the NERO at this time.

On this basis, the Commission has decided not to make a draft rule. The Commission is of the view that the materiality of the issue raised in the rule change request is insufficient to warrant the proposed benefits and has determined that the proposed change to the current bill content requirements in the NERR is not in the long-term interests of consumers.

ABBREVIATIONS

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
CDR	Consumer Data Right
Commission	See AEMC
ESC	Victorian Essential Services Commission
EWON	Energy and Water Ombudsman NSW
EWOQ	Energy and Water Ombudsman Queensland
EWOV	Energy and Water Ombudsman Victoria
MDP	Metering Data Provider
MDPP	Metering Data Provision Procedures
NEM	National Electricity Market
NERL	National Energy Retail Law
NERO	National energy retail objective
NERR	National Electricity Retail Rules
PIAC	Public Interest Advocacy Centre

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
Alternative solutions		
Energy and Water Ombudsman (EWOQ), p. 2.	EWOQ proposed that retailers should include an interval metering data summary with start and end meter readings when customers request their billing information.	<p>The Commission is of the view that requiring retailers to include start and end meter readings as part of the answer to customer requests on historical billing information (modifying the MDPP), would not address the issue raised in the rule change request given that is not likely to be useful for billing reconciliation purposes.</p> <p>Customers would not be able to compare these readings with the numbers displayed in the meters and therefore it is likely to increase customer's confusion.</p>
Dr Martin Gill, p. 2.	Dr Martin Gill suggested that the existing accuracy testing for metering devices as prescribed in the National Measurements Act is inadequate for smart meters.	The Commission is of the view that this issue is out of scope for this rule change and is not under the AEMC's power to make changes to the National Measurements Act.
Dr Martin Gill, p. 2.	Dr Martin Gill proposed that retailers should include a summary of the values customers need to use comparison sites. Dr Gill was of the view that the AEMC should specify the format of this information so it is identical to the values used by Energy Made	<p>The Commission is of the view that this issue is out of scope for this rule change.</p> <p>However, we note that the AER is currently working on redeveloping the Energy Made Easy website.</p> <p>We understand that there will be a new functionality release</p>

STAKEHOLDER	ISSUE	AEMC RESPONSE
	Easy.	by the end of 2019 where it is expected that a customer will be able to upload an electronic version of their bill and the website would produce the comparisons without the need for manual input from consumers. The AEMC is of the view that this new functionality will address Dr Gill's consideration.
Nathaniel Sawyer, pp. 4-5.	<p>Mr Sawyer suggested enhancing the existing Meter Data File Format Specifications to ensure that the field 'IndexRead', provided in the 500 record of a NEM12 file, is populated with the Index Reading for the Register ID/Interval Date as of the end of the final interval of the Interval Date, regardless of the time that the data was polled from the meter.</p> <p>Mr Sawyer considers that enhancing the Rules to ensure that a retailer must display an index reading for each separate Register if provided as part of the NEM12 data, and either requiring the retailer to publish the effective Read Date Time of the index reading or aligning the Read Date Time with the Interval Date provided in the 500 record, would result in greater customer satisfaction with their billing and read data.</p>	<p>The Commission is of the view that including an end index and a date/time for that index reading to be collected, is unlikely to address the issue about differences between the index reads and the numbers read in the screen by each customer.</p>

B LEGAL REQUIREMENTS UNDER THE NERL

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

B.1 Draft rule determination

In accordance with s. 256 of the NERL the Commission has made this draft rule determination in relation to the rule proposed by the proponent, Mr Craig Whybrow.

The Commission has determined not to make a draft rule.

The Commission's reasons for making this draft rule determination are set out in section 2.3.

B.2 Commission's considerations

In assessing the rule change request the Commission considered:

- it's powers under the NERL to make the rule
- the rule change request
- 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 NERO.

There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.⁹⁶

⁹⁶ Under s. 225 of the NERL the AEMC must have regard to any relevant MCE statement of policy principles in making a rule. The MCE is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for energy. On 1 July 2011, the MCE was amalgamated with the Ministerial Council on Mineral and Petroleum Resources. The amalgamated council is now called the COAG Energy Council.