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1 March 2019

Ms Daniela Moraes
Senior Adviser
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted electronically

Dear Ms Moraes,

Re: National Energy Retail Amendment (Bill contents--customers with interval meters) Rule 2019

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on the National Energy Retail Amendment (Bill contents - customers with interval meters) Rule consultation paper as published by the Australian Energy Market Commission (the Commission).

This rule change seeks to amend the National Energy Retail Rules (NERR) by requiring retailers to display a start and end meter reading, alternatively known as an index read, on both smart metered and basic metered customer bills.

Red and Lumo do not support this rule change. The rule change falls short of its stated outcomes of facilitating consumers to reconcile their bills, improving consumer trust with retailers and reducing the number of consumer complaints related to smart meter billing.

Consumers have tools available at their disposal to ensure their metering data is reliable. Many retailers provide online guides, mobile applications to access real time energy use, and home devices that monitor energy consumed. Further, the calculation of index reads for smart meters is unlikely to mirror the meter, especially as time passes or through retailer transfers where the data received resets the accumulation at zero for that retailer. Meaning that it will be irreconcilable by consumers who's accurate meter and the calculate index read on the bill has no real value.

Nevertheless, if the Commission makes this rule then we would support the introduction of a Victorian solution. In Victoria, start and end data meter information is included bills through the provision of index reads supplied by meter data providers (which in Victoria are the distributor) in the file format provided to retailers.

Attached to this submission we have provided responses to the questions raised by the Commission in the consultation paper.

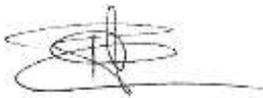
Red and Lumo have provided a confidential version of this submission to the Commission. Confidential information has been omitted from this submission for the purposes of s24 of the Australian Energy Commission Establishment Act 2004 (SA) and s223 and s234 of the National Energy Retail Law.

About Red and Lumo

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

Should the Commission have any enquiries regarding this submission, please call Con Noutso, Regulatory Manager on 0481 013 988.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ramy Soussou". The signature is stylized with loops and a long horizontal stroke at the end.

Ramy Soussou

General Manager Regulatory Affairs & Stakeholder Relations

Red Energy Pty Ltd

Lumo Energy Australia Pty Ltd

Att.

Attachment A: Responses to consultation paper questions

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 readings in the bill?

Billing customers on interval meters without including start and end meter readings on bills has not created any major problems for consumers.

Our standard process for examining the amount of energy consumed for a customer during an interval period is to provide the consumer with a copy of the interval data for a specific period they have requested, where a consumer raised concerns. In our view, this provides our customer solution consultants ability to respond to any queries about the interval data and provides both a good outcome and customer experience.

With more advanced interval meters to be rolled out and more digital near real time solutions/tools available to customers, is it likely that the issues become more or less prevalent over time?

We consider that as more smart meters are rolled out, retailers will present meter data to customers in more meaningful ways to the customer. We do not consider that this issue is currently a large issue, nor do we consider it to become more prevalent over time.

What are the tools offered to customers with advanced interval meters to understand their bill and energy consumption?

Red and Lumo have online guides to help consumers understand their energy bills. We provide customers with their smart meter data, both in intervals and graphically. Across the market there are a range of tools developed by retailers to help consumers understand their consumption profiles on smart meters, including mobile applications and in home devices that monitor energy usage and provide it in real time.

Red and Lumo have consistently argued that consumers need to understand their energy consumption profile in order to make decisions about their usage patterns and tariff / product selection to suit their needs. We do not consider that this will be achieved through the publication of index reads on a bill.

Finally, should one of our customers contact us to dispute a bill that has smart meter data, we will investigate their meter data. We can both work through it with the customer, or provide it to them for their review. This allows customers to understand their consumption, particularly for time of use customers, and therefore understand their bill. If a customer remains concerned regarding the accuracy of the meter, we can request that the meter provider (or the distributor in Victoria) undertake a meter accuracy test.

What are the tools offered to customers with interval Type 5 meters?

Please refer to the response above. Noting that for a type 5 meter investigation, we may also carry out a special read for the customer.

How many complaints do stakeholders receive related to the issue raised in the rule change request?

Red and Lumo have received a small number of complaints on this matter regarding smart meters. We have found that most queries regarding interval data are resolved through our process expressed above, and therefore our complaints are low.

What tools are available to customers with advanced interval meters to understand their use, reading and installation?

Energy retailers provide the necessary tools to consumers in order for them to understand their interval meter use, reading and installation. We understand that most retailers have a range of tools to help consumers understand their energy use from smart meters.

For example, we have guides for our customer solution consultants to help consumers understand their energy bills from smart meters. These guidelines contain specific information about the total electricity used from the grid, electricity exported to the grid, total electricity used and total electricity generated by solar panels.

We have also published information regarding how to understand your smart meter bill relating to Victoria:

<https://www.redenergy.com.au/smart-meters/smart-meters-victoria-bills.html>

Do you consider that the information available for customers is adequate to understand advanced interval meter use, reading and installation?

Yes. As previously noted, there are a number of resources available to customers to understand both their energy bills and interval data.

What additional information should be publicly available for customers to understand advanced interval meter use, reading and installation?

Retailers do not need obligations placed on them to provide assistance to their customers in understanding their interval meter data. Retailers have a strong commercial incentive to ensure that their customers understand their bills, and the components of them. Retailers have and will continue to innovate in this space, in order to provide more value to their customers and potentially attract new customers on the basis of this innovation.

We strongly urge the Commission not to consider adding any further obligations in this space as it may hinder innovation that is in progress along with any future innovation.

What are the costs and benefits of eliminating the transitional rule?

To reiterate, we do not support this rule change. However, should the Commission decide to eliminate the transitional rule we recommend adding an obligation to require that meter data providers to provide the start and end readings to retailers for billing.

Meter data providers could add the index read to the NEM12 file currently used by the Victorian distributors. Otherwise, we would not support this solution.

Perhaps a major drawback to the Victorian solution is the questions have been raised regarding the accuracy of the data from index reads in Victoria. We note that consumers have made complaints regarding the accuracy of start and end meter reads index reads for customers with smart meters.

What are the costs and benefits of adopting the Victorian solution?

Again, we do not support this rule change. Nevertheless, if the Commission decides to make the rule change then we would support the Victorian solution on the basis that the meter data provider aggregates consumption and provides these values to the retailer.

Under the Victorian solution consumers on smart meters would be able to source the values of meter readings for the start and the end of the billing period. This would give some customers the comfort of having this data at their disposal, subject to the constraint that it might not be entirely accurate.

As we have previously argued, the Victorian solution relies on proxy meter reads for the start and the end of the billing period. As argued above, while a small number, consumers have lodged complaints regarding the accuracy of the index reads.

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?

We consider that retailers avoid providing cumulative reads in other jurisdictions as they are not required to and it has not proven to be a significant problem that would justify including it on the bill.

Are there any other alternative solutions to consider that may have greater benefits and or/lower costs?

Red and Lumo Energy are not aware of any alternative solutions to this problem.