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Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

RE: Bill contents – Customers with interval meters Draft Rule Determination (RRC0026)

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Energy Market Commission (AEMC)'s Bill contents – Customers with interval meters draft rule determination which presents the AEMC's decision to not make a draft rule to amend the National Energy Retail Rules (NERR) to require retailers to display start and meter readings for customers in the bill for customers with advanced interval meters.

About ERM Power

ERM Power is an Australian energy business for business. ERM Power provides large businesses with end to end energy management, from electricity retailing to integrated solutions that improve energy productivity. Market-leading customer satisfaction has fuelled ERM Power's growth, and today the Company is the second largest electricity provider to commercial businesses and industrials in Australia by load¹. ERM Power also operates 662 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland, supporting the industry's transition to renewables.

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General comments

Advances in metering technology across the National Electricity Market (NEM) has created a lack of uniformity in types of meters installed at residential and business premises. With the market evolution of meters from accumulation meters to advanced interval meters, consumers are experiencing operational changes about how their electricity consumption is recorded and billed. These changes are due to the technological differences between the old and new metering technologies, and the subsequently different methods which consumption data is collected.

The AEMC has undertaken significant efforts to understand the technical differences between accumulation and advanced interval meters, and the impact these discrepancies have on meter reads, data and billing formats. Importantly, the AEMC have demonstrated a comprehensive understanding of how developments in metering have driven changes in how consumers reconcile their electricity usage with their bills, correctly identifying that cumulative consumptions readings are not used to bill advanced interval meter customers. Therefore, including start and end meter reads for advanced interval meter customers as an indication of cumulative consumption does not allow customers to reconcile their bills or improve billing transparency. Considering recent technological developments, ERM Power believe that there are alternative tools and options available to customers to reconcile their bills.

The AEMC has demonstrated a thorough understanding of the issues arising in this proposed rule change. ERM Power fully supports the decision not to make a draft rule. We believe that the draft rule does not address the issues raised by the proponent, as:

¹ Based on ERM Power analysis of latest published information



- We do not believe the issue is material
- The proposed rule will not increase transparency or the ability for a customer to reconcile their bill
- There are options available in the market for customers to understand their consumption and choose the tools which best suit their needs

We agree with the AEMC's conclusion that imposing potential costs from the rule change is not in the long term interests of consumers. We provide a brief discussion below.

The materiality of the issue

The technological evolution of meters has created a change in both the information presented on a customer's bill and how a customer is billed for their consumption. ERM Power appreciates that this shift will require retailers and other market participants to educate advanced interval meter customers on how to read and interpret their consumption charges. However, ERM Power agrees with the analysis and evidence that AEMC has provided in their Draft Determination Consultation Paper that not including start and end meter readings in the bill is not a material issue for most customers with interval meters. The AEMC has provided analysis to indicate that customer complaints regarding this matter have not trended in line with the installation of advanced interval meters. ERM Power partners with business and large energy customers exclusively, who are typically highly engaged with their energy management, employing tools and resources to manage their consumption. ERM Power has not received any complaints from customers regarding this matter. ERM Power agree with the AEMC's assessment that the issue identified in this rule change is unlikely to be material for the majority of customers.

Bill reconciliation will not be improved and impact on transparency

ERM Power agrees with the AEMC's assessment framework that enhancing customer information and decision-making should be a primary consideration to encourage a well-functioning retail market. The proposed rule should be assessed against the likelihood of promotion of consumer confidence in retailers. A key measure of success against this framework is whether the proposed rule facilitates an improved ability for advanced interval meter customers to reconcile their bills.

ERM Power agrees with the AEMC's conclusion that the proposed amendment to the National Energy Retail Rules (NERR) in this Consultation Paper will not improve bill reconciliation for advanced interval meter customers. The AEMC has correctly identified that the aggregation of 30-minute interval net data streams and application of tariff structures for the billing purposes of advanced meter interval customers means that cumulative meter readings are not collected for billing of these customers. This increases complexity for customers attempting to use these values to monitor their energy consumption and payments for bill reconciliation. Although some advanced interval meter customers are already provided with start and end meter readings, these values are for customer reference only, and cannot be used for bill reconciliation.

ERM Power believe that this does not serve to increase transparency for customers. We believe transparency is better encouraged through the current unamended rules, which provide customers with the right and ability to question the accuracy and validity of their bill with the retailers. Retailers are already required to provide customers with detailed billing information upon request and at no charge. ERM Power agrees with the AEMC that it is not likely that including start and end meter readings in electricity bills would increase trust or transparency in the market, and believe the draft rule would not contribute to the National Energy Retail Objective (NERO). We believe that the current rules provide for the need for transparency and are more appropriate to address these issues.



Alternative market measures

ERM Power believe that customers currently have the tools and information available to them through the market for successful energy management and bill verification. The AEMC has considered whether the market or regulation, such as this proposed rule change, will deliver solutions to address the proponent's perceived issue. ERM Power agree with the AEMC that alternative market measures can assist in achieving the purpose of the rule change request. We believe that if customers are seeking the provision of start and end meter reads on their bills, then their option to shop around for the services they are seeking will be enabled.

Conclusion

ERM Power agree with the AEMC's assessment presented in the Consultation Paper, and fully support the decision not to make a draft rule. We believe that this issue is unlikely to be material for NEM customers, and that the current rules are adequately designed to provide bill transparency for customers. We believe that as new technologies are promoted throughout the NEM, an increasing number of tools and options will be made available through the market that minimises the likelihood of future issues being identified.

We would like to thank the AEMC for the opportunity to provide input to this process. Please contact me if you would like to discuss this submission further.

Yours sincerely

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