

Review of the regulatory framework for metering services

Problem statement and objective of the review

Introduction

This document sets out the problem statement and objective for the *Review of the regulatory framework for metering services* (the Review) conducted by the Australian Energy Market Commission (AEMC).

The problem statement and the objective of the review have been jointly developed by the AEMC and members of the Review's reference group.¹

Problem statement

"The current metering arrangements are not efficiently and effectively realising the key potential benefits that metering technology can enable for all consumers."

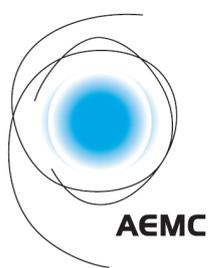
The problem statement aligns with the National Electricity Objective and National Energy Retail Objective, and acknowledges the need for metering arrangements to enable services that benefit all consumers. This includes taking the interests of all end users, including vulnerable consumers into account.

The statement reflects stakeholder views that the current regulatory arrangements have created sub-optimal outcomes for consumers. There are inefficiencies that arose from complex relationships, unclear objectives and separation of responsibilities, incentives, benefits and costs.

It is also important to note that factors such as legacy electrical and installation issues cannot always be addressed by changes to the metering regulatory framework, but are impacting on the effectiveness of its operation.

The Review will seek to address these inefficiencies, and provide accountability when issues arise.

¹ The reference group was formed to provide a collaborative and consultative platform to identify issues and potential solutions as part of the AEMC's *Review of the regulatory framework for metering services*.



Objective for the Review

“To enable the roll out of appropriately capable smart metering to consumers in a timely, cost effective, safe and equitable way, and to ensure metering contributes to an efficient energy system capable of maximising the benefits for all consumers.”

The objective for the Review seeks to address the issues identified in the problem statement to achieve a more efficient and effective roll out of smart meters and encompasses providing value to the whole supply chain.

The objective recognises the role that meters play in delivering benefits, both to consumers individually and, by enabling a more efficient and so lower cost energy system, to all consumers whether or not they choose to take up the services enabled by smart meters. An efficient system which maximises the benefits for all consumers will in turn provide greater benefits for all energy system stakeholders. The objective also recognises the importance of reducing barriers consumers face in obtaining both of these benefits.

To achieve this objective, the AEMC is focusing on four key areas in the Review:

- delivering for the consumer – it is important that the framework delivers timely benefits for consumers in a cost effective, safe, and equitable way and access is enabled for all consumers
- services that meters should enable – barriers to services and data being delivered via a meter where the provision of those services via a meter is most appropriate should be minimised
- driving the roll out of smart meters – the regulatory framework should support a timely, cost effective, safe and equitable roll out of smart meters where all consumers are able to access the benefits smart meters can enable
- roles and responsibilities – exploring ways to improve cooperation, coordination and communication to improve the consumer experience and maximise benefits.

Under these areas of focus we will consider allocation of costs to enable the efficient realisation of metering benefits for all, how to reduce any barriers to metering services and the important data the meters can provide, and consider the most appropriate roll out strategy to achieve the objective. It is important that the regulatory framework is resilient, robust and adaptable to continue to provide maximum benefits for all consumers now and into the future.

Our Assessment Framework will guide us in our decision-making process and aligns with the objective.