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Review of the regulatory framework for metering services

Meridian Energy Australia Pty Ltd (**MEA**) and Powershop Australia Pty Ltd (**Powershop**) thanks the Australian Energy Market Commission (the **AEMC**) for the opportunity to provide comments in response to the AEMC's Review of the regulatory framework for metering services directions paper (the **Paper**).

Background on the MEA Group

MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. We opened our portfolio of generation assets with the Mt Millar Wind Farm in South Australia, followed by the Mt Mercer Wind Farm in Victoria. In early 2018 we acquired the Hume, Burrinjuck and Keepit hydroelectric power stations, further expanding our modes of generation. We have supplemented our asset portfolio by entering into a number of power purchase agreements with other renewable generators, and through this investment in new generation we have continued to support Australia's transition to renewable energy.

Statement

MEA Group supports the AEMC's ongoing review of the regulatory framework for metering services. The installation of smart meters is an important step to improve customer experience and assists the transition to a renewable future. MEA Group support an increased deployment and penetration of smart meters into the National Electricity Market (**NEM**) and with minimal regulatory changes, could enable increased deployment of smart meters.

Please see below our responses to the questions raised in the Paper.

QUESTION 1: BENEFITS WHICH CAN BE ENABLED BY SMART METERS

(a) Are there other benefits which can be enabled by smart meters that are important to include in developing policy under the Review?

MEA Group believes the AEMC have captured the key high-level benefits of smart meters and for policy to allow for future benefits as they evolve.

(b) What are stakeholders views on alternative devices enabling benefits? What are the pros and cons of these alternative devices?

MEA Group considers that smart meters are the appropriate device to enable the benefits for consumers at a NEM level however, the AEMC must not inadvertently exclude future technologies from providing these benefits in the framework.

QUESTION 3: TO REACH A CRITICAL MASS IN A TIMELY MANNER, OPTIONS TO ACCELERATE THE ROLL OUT SHOULD BE CONSIDERED

(a) Do you consider that the roll out of smart meters should be accelerated? Please provide details of why or why not.

MEA Group believes that the roll out of smart meters should be accelerated due to the customer and industry benefits including safety, efficiency and accuracy. Smart meters will also potentially become the cornerstone to enable future technologies in the NEM.

(b) What are the merits, costs and benefits of each option? Is there a particular option which would be most appropriate in providing a timely, cost effective, safe and equitable roll out of smart meters?

As referenced in our opening statement above, MEA Group views believes the smart meter deployment rate can be accelerated by rule changes that reinstate stronger retailer incentives to deploy smart meters.

MEA Group believes that the current incentives for retailers to install a smart meter are known and that this is not the issue with the slower than expected smart meter deployment. As advised in our first submission to this review in October 2020, the primary barrier from a retail deployment perspective is the cumbersome communication requirements. These requirements result in an administration burden that not all retailers can support, also adding a compliance risk that not all retailers have the appetite to absorb.

MEA Group believes that the AEMC can make a simple rule change whereby they remove the prescriptive customer notice requirements for a retailer led meter deployment in the National Energy Retail Rules (**NERR**). MEA Group encourages the AEMC to take small and considered steps, and then monitor for impacts before imposing punitive requirements on the industry to speed up the deployment of smart meters.

MEA Group believes that options such as the age trigger for meter replacements, installation quotas, and backstop date options to speed up the smart meter deployment are unnecessarily punitive and should only be considered once other options have been explored.

Furthermore, competitive metering is a relatively new concept in the NEM and different retailers should be able to employ their own deployment strategies to best manage their costs and value propositions. To provide effective metering competition, we believe simplifying the metering deployment process is the most effective way to incentivise retailer led smart meter deployment.

(c) How would each of these options for rolling out smart meters impact the cost profiles of smart meters?

In addition to the NERR based disincentives, the AEMC must consider which participants should carry the costs of smart meter exchanges. Currently retailers (and therefore sometimes customers) are responsible for the costs associated with preparing a site for a smart meter. For example, an installation may require a temporary isolation of group metering and charge \$281.19¹. There is a very reasonable argument to make that retailers should not be responsible for paying the fees for group isolation. Preferably, when a distribution network received a request to isolate a group supply, they should use this opportunity to future-proof their end-use customers network connection point.

QUESTION 5: THE CURRENT MINIMUM SERVICE SPECIFICATIONS ENABLE THE REQUIRED SERVICES TO BE PROVIDED

(a) Do you agree with the Commission's preliminary position that the minimum service specification and physical requirements of the meter are sufficient? If not, what are the specific changes required?

MEA Group agrees with the positions taken by the AEMC on the minimum service specification and physical requirements.

(b) Are there changes to the minimum service specifications, or elsewhere in Chapter 7 of the NER, required to enable new services and innovation?

MEA Group believes the current minimum metering specification does not immobilise innovation. However, MEA Group does believe amendments do need to be made to the Small Generation Aggregator Framework to enable more innovative solution(s).

¹ https://www.aer.gov.au/system/files/03.%20Appendix%20B%20-%20Ausgrid%202021-22%20Pricing%20Proposal%20-%20ACS%20components%20-31%20March%202021-%20PUBLIC%20%28Replacement%29_1.pdf

QUESTION 6: ENABLING APPROPRIATE ACCESS TO DATA FROM METERS IS KEY TO UNLOCKING BENEFITS FOR CONSUMERS AND END USERS

(a) Do you agree there is a need to develop a framework for power quality data access and exchange? Why or why not?

(b) Besides DNSPs, which other market participants or third parties may reasonably require access to power quality data under an exchange framework? What are the use cases and benefits that access to this data can offer?

(c) Do you have any views on whether the provision of power quality data should be standardised? If so, what should the Commission take into consideration?

(d) Do you consider the current framework is meeting consumers' demand for energy data (billing and non-billing data), and if not, what changes would be required? Is there data that consumers would benefit from accessing that CDR will not enable?

Without providing specific responses to each question above, MEA Group supports the NEM's transition to a decentralised, decarbonised, two-sided market. However, MEA Group encourage the AEMC to closely scrutinise the cost benefit analysis of a newly created centralised organisation, whose sole purpose is to manage and analyse smart meter data. Our overarching position is that standardisation and simplicity when it comes to data is desirable.

QUESTION 7: FEEDBACK ON THE INITIAL OPTIONS FOR DATA ACCESS THAT THE COMMISSION HAS PRESENTED

(a) What are the costs and benefits of a centralised organisation providing all metering data? Is there value in exploring this option further? (e.g. high prescription of data management).

(b) What are the costs and benefits of minimum content requirements for contracts and agreements for data access to provide standardisation? Would such an approach address issues of negotiation, consistency, and price of data?

(c) What are the costs and benefits of developing an exchange architecture to minimise oneto-many interfaces and negotiations? Could B2B be utilised to serve this function? Is there value in exploring a new architecture such as an API-based hub and spoke model?

(d) What are the costs and benefits of a negotiate-arbitrate structure to enable data access for metering? Is there value in exploring this option further? (e.g. coverage tests or nonprescriptive pricing principles).

(e) Are there any other specific options or components the Commission should consider?

Please refer to our broad response to Question 6 that further analysis should be undertaken to understand the cost benefit analysis, with strong consideration given to who will wear the costs of such a solution.

QUESTION 9: IMPROVING CUSTOMERS' EXPERIENCE

(a) Do you have any feedback on the proposal to require retailers to provide information to their customers when a smart meter is being installed? Is the proposed information adequate, or should any changes be made?

MEA Group see minimal benefits in further regulating information on smart meters. Retailers, regulators and numerous third parties already promote the benefits of smart meters. Imposing further communication requirements on retailers, without any evidence of customer benefits, may introduce further administrative and cost burdens on our customers. We also do not believe regulated information will necessarily change the opinions or views of customers who otherwise rely on unreliable and inconsistent public communications (e.g. social media).

(b) Should an independent party provide information on smart meters for customers? If so, how should this be implemented?

MEA Group regularly faces fierce opposition to installing a smart meter from some customers when we are required to replace malfunctioning or family failure meters. One issue we have identified is that there is no clear information on regulators and ombudsman websites that retailers are required to replace their meter with a smart meter. Therefore, more direct, and simple information needs to be presented by market bodies on

retailer rights when it comes to replacing a smart meter.

(c) Should retailers be required to install a smart meter when requested by a customer, for any reason? Are there any unintended consequences which may arise from such an approach?

MEA Group agrees retailers should install the meter, provided the customer's site is safe and accessible.

QUESTION 11: MEASURES THAT COULD SUPPORT MORE EFFICIENT DEPLOYMENT OF SMART METERS

(a) Do you have any feedback on the proposal to reduce the number of notices for retailer-led roll outs to one?

MEA Group strongly supports the simplified one notice approach and believes it would speed up smart meter deployments.

(b) What are your views on the opt-out provision for retailer-led roll outs? Should the opt-out provision be removed or retained, and why?

Provided consumers are not charged, MEA Group see no consumer protection benefits to maintain the opt-out provisions. MEA Group holds the view that if consumers throughout the NEM are to realise the benefits of nationwide smart meter penetration, the AEMC must take a position of leadership and abolish the opt-out provision.

(c) Are there solutions which you consider will help to simplify and improve meter replacement in multi-occupancy premises? Should a one-in-all-in approach be considered further?

As above, MEA Group's view is that if a distribution network receives a group isolation requires, retailers should not be charged – rather distribution networks should take the initiative to future-proof their network for the betterment of customer and ensure all connection points are converted at the same time.

MEA Group believes in a very clear and efficient smart meter deployment process and would like to work further with the AEMC to reduce rule requirements that make deployment difficult. By reducing these rules and requirements on retailers that to date have slowed deployment, retailers will be incentivised to use a smart meter to innovate their products and services to enable the renewables transition and provide customers with a choice they would otherwise not have access to.

If you have any questions in relation to this submission, please do not hesitate to contact me.

Yours sincerely



James Ell
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