

REVIEW OF THE REGULATORY FRAMEWORK FOR METERING

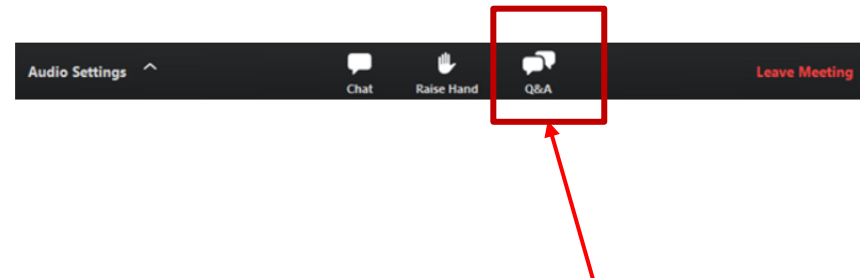
REFERENCE GROUP

MEETING #5
16 NOVEMBER 2021

AEMC

House keeping

- Stay on mute unless you are speaking
- Hold question at the end of each session. There is time allocated for facilitated discussion.
- Be respectful of all participants and the process.



If you would like to ask a question, or make a comment, please use the Q&A function.

Before we start, an important notice: Compliance with Competition Law

- The Reference Group must not discuss, or reach or give effect to any agreement or understanding which relates to:
 - Pricing
 - Targeting (or not targeting customers)
 - Tendering processes
 - Sharing competitively sensitive information
 - Breaching confidentiality obligations

Each entity must make an independent and unilateral decision about their commercial positions.

Agenda and purpose of meeting

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1. The review – direction of the review
 2. Summary of submissions to the Direction Paper
 3. Next steps
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DIRECTIONS PAPER

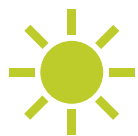
QUICK RECAP AND SUBMISSIONS



Where we left off: the Directions Paper



- Set out potential options and recommendation to improve current arrangements – drawing upon our discussion and stakeholder feedback



- 3 broad groups of recommendations: accelerate roll out and aligning incentives; enable efficient access to data; improve installation processes



- Things we still need to work on: site remediation, installations at multiple-occupancy premises



We received 58 submissions to the Directions Paper

- They have given us clear direction in some areas and assisted us work through the most appropriate approaches.
- There are areas we need to continue to work together on to develop the most effective solution.
- We started to progress some of these areas in sub-reference groups
- Thank you to members of the sub-reference group for the time spent and knowledge shared in those meetings.



DIRECTION OF THE REVIEW

UPDATE FROM OUR CHAIR AND CHIEF
EXECUTIVE

The review will pause for several months and recommence in April 2022

- There is an enormous amount of critical work happening in the energy sector at the moment
 - The AEMC is at the limit of what work our team can undertake. Stakeholders also need to respond to the myriad of reviews underway.
 - Decisions recently by Ministers on the new phase of the ESB work program mean more stretched resources for market bodies and AEMC staff.
- We have looked at how our work should be sequenced over the next few months – allowing for a break over Christmas and the New Year.

The AEMC remains committed to the review

- The pause does not reflect on the importance that we place on the review.
 - We want to progress these important reforms
 - We acknowledge the pause is disappointing given the amount of work and momentum established
- We want to thank stakeholders for their input and feedback
 - In particular, we want to acknowledge the work that members of the reference group throughout the review

Data is critical to the energy transition and meters can provide data

- Data access remains key to the energy transition
 - Smart meters enable the provision and sharing of data – and we need a critical mass to make a difference
 - The current approach is not fit-for purpose.
- There is significant stakeholder support for an accelerated roll out.

Commission's view: we need to accelerate roll out and improve inefficiencies

- Measures to accelerate the smart meter roll out could include targets which may be based on a range of measures such as geography, age of assets and/or other factors
- It is also critical to ensure access to data is provided – an access framework is key
- Working within the current framework
 - Metering will remain with retailers – it will take too long to unscramble.
- Other key issues to solve include inefficiencies and costs, such as site remediation.

The AEMC will work from these points when the review recommences.

HIGH LEVEL STAKEHOLDER FEEDBACK

OPTIONS TO ACCELERATE ROLL OUT AND ALIGN INCENTIVES

Majority of stakeholders supported acceleration, but different views on approach

- Some stakeholders considered that the pace of the roll out was appropriate or that improvements to incentives, installation process and data access will be adequate.
- Views on the most appropriate mechanism to accelerate the roll out was mixed – with many stakeholders suggesting a combination of approaches including a backstop date.
- More data required on age of assets.
- On incentives
 - View that resolving installation issues and data access would increase incentives.
 - More information was sought on how the options would work.
 - Generally didn't support multiple parties approach.

ENABLING EFFICIENT ACCESS TO DATA

To unlock significant net benefit of an accelerated roll out, access to data is key

- Stakeholders largely agree that the minimum service specifications are sufficient.
 - A significant amount of submissions have said the specifications could clarify the recording and access of power quality data.
- Majority of submissions agreed on:
 - Enabling efficient access to data through a framework
 - Designing a framework consisting of
 - Minimum content requirements, and
 - Using an agreed exchange architecture like B2B.

IMPROVE INSTALLATION PROCESSES



To support accelerated roll out, improvements to installation processes is needed

<ul style="list-style-type: none">• Majority support from stakeholders• Will likely progress to draft recommendations with minimal changes	<ul style="list-style-type: none">• Information provision, to be provided by retailers• Customer can request a meter for any reason• Reduce number of retailer-led roll out notices from two to one
<ul style="list-style-type: none">• Mixed views• Will require more information/data• Will continue to explore options with stakeholders	<ul style="list-style-type: none">• Removal of customer opt out from retailer-led roll out• Changes to replacement of malfunctioning meters – 60BD rectification timeframe for family failures• Measures to address site remediation issues• Multi-occupancy sites with shared fusing – one-in-all-in approach → Options proposed in Installations Sub-ref Group meeting (19 October 2021)

WHERE TO FROM HERE?

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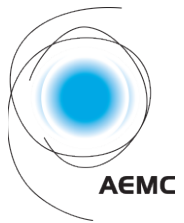


Next steps

- Review will recommence in April 2022
- We are keen to continue the momentum and to work together when the review commences.
- Stakeholders will have the opportunity to submit a supplementary submission when it recommences.
- The Reference Group and sub-reference Groups will recommence at that point.

Key contact during review pause

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