

24 January 2023

Mr Mitchell Grande
Project Lead
Australian Energy Market Commission
REF: EM00040

Dear Mr Grande

Aurora Energy Submission to Metering Review Draft Report (EMO0040)

Aurora Energy welcomes the opportunity to provide feedback to the Australian Energy Market Commission's (Commission) Metering Review Draft Report (Draft Report).

As identified in the Commission's previous releases under the Metering Review, Aurora Energy has significantly progressed the rollout of advanced meters in Tasmania. Over fifty per cent of Tasmanian premises now have an advanced meter and Aurora Energy is on target to changeover all installations under its responsibility by 2026, which aligns with advanced meter commitments from the Tasmanian Government.

Aurora Energy contends the Draft Report provides a set of recommendations that can assist jurisdictions and market participants to escalate and enhance the deployment of advanced meters across Australia. However, there are elements of the proposals that require refinement to ensure that when final recommendations are realised in national rules they are delivered to the best effect. These comments are provided in Annexure A to this letter.

Please contact Giles Whitehouse, Lead Regulatory Advisor, in regards to this submission at giles.whitehouse@auroraenergy.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to be "Kate Spencer", written over a horizontal line.

Kate Spencer
Acting Company Secretary / General Counsel

ANNEXURE A

1. Changes are needed to enhance the framework, but retailers and metering parties remain responsible for metering services for small customers

Since the commencement of Power of Choice reforms in December 2017, Aurora Energy and its appointed metering service providers have demonstrated the current regulatory framework is able to facilitate a deployment of advanced meters with aspects of this undertaken on an accelerated basis.

Aurora Energy supports the recommendation by the Commission that the current industry structure remains the appropriate arrangement for the delivery of advanced meters. Specifically, that retailers and metering parties remain the market participants best responsible for the delivery of metering services to small customers.

Despite the efforts by Aurora Energy to escalate its rollout, there are clear points within the current framework that require amendment to enable a greater efficiency to accelerate the deployment of advanced meters.

In this context, it is Aurora Energy's hope that amendments proposed by the Commission can be introduced expeditiously to ensure jurisdictions that have earlier rollout targets, such as Tasmania, can make best use of the proposed improvements. Pending a review of detailed wording for rule change proposals, Aurora Energy will investigate avenues for early deployment of any framework changes.

2. Speeding up deployment of smart meters

Aurora Energy supports the Commission mandating a 2030 target noting this is four years beyond the 2026 jurisdictional target in Tasmania¹.

Regarding the approach to legacy meter retirement, Aurora Energy supports the introduction of the proposed legacy meter retirement plan. Aurora Energy notes that the Commission's preference is for the legacy retirement plan to be coordinated by Distribution Network Service Providers (DNSPs). In the event this option is adopted, Aurora Energy supports a requirement for transparency and consultation in how a DNSP enacts a legacy meter retirement plan through oversight by the Australian Energy Regulator.

Aurora Energy also supports the Commission's recommendation to exempt legacy meters from regular testing and inspection requirements noting existing testing requirements operating alongside accelerated rollout plans creates inefficiencies and additional costs that are ultimately borne by customers.

3. A more efficient acceleration program

As highlighted by the Commission, the current metering regulatory framework does not enable the volume required to meet acceleration targets as the majority of meter exchanges occur based on a new and replacement basis. Consequently, the retailer-led rollout approach is the key mechanism from which accelerated targets can be reached.

¹ 'Securing Tasmania's Future by Delivering Affordable, Reliable Clean Energy' Tasmanian Government, April 2021

Whilst it is critical that the rules underpinning the retailer-led rollout approach strike the appropriate balance between consumer protection and operational efficiency, Aurora Energy considers the proposed changes will provide this balance, in particular through:

- the reduction of customer notices for retailer-led deployment;
- the removal of provisions in the national rules enabling customers to opt-out of a retailer-led deployment; and
- supporting customers to receive a smart meter for any reasons.

Further to the above, Aurora Energy recommends when amending rules relating to customer led notices, clarity be provided on the medium of communication that is acceptable for notices, including use of electronic services such as email or SMS.

Aurora Energy also supports a fit for purpose framework for replacing malfunctioning meters but contends that flexibility is still required for metering coordinators in being able to respond to larger than expected outcomes in terms of family failures.

Addressing customer site defects remains an area that requires further examination and action. Aurora Energy supports the introduction of customer notifications and recording keeping noting that it has already undertaken these tasks in tracking and seeking to grow an understanding of the range of site defect issues. However, this is an information-based approach to addressing this challenging area and it is inevitable that action will be required from all meter deployment stakeholders to resolve site defect matters.

Given that Tasmania is more progressed in its deployment of advanced meters, site defects are likely to manifest as an unavoidable challenge at an earlier point in time compared to mainland jurisdictions. Accordingly, Aurora Energy seeks a nationally consistent approach to addressing this outcome that is considered and supported by the Commission as well as all stakeholders including both Federal and State Governments.

For multi-occupancy scenarios, Aurora Energy supports the approach to replacement of legacy meters for all customers on a shared fuse.

4. Supporting customers through the transition

Whilst Aurora Energy is supportive of the goals of greater transparency and clarity on the deployment of advanced meters, it is our recommendation that customers primarily target their questions and information gathering efforts directly with the providers of their metering services.

It is Aurora Energy's observation that there is minimal interest from customers in the drivers for deployment or the high-level details regarding advanced meters. Rather, customers are focussed on the details pertinent to their own instance, such as cost, time and installation. As such, the management and promotion of a 'smart energy website', should it proceed, would be best undertaken on the premise that customers should first engage with their retailer on any initial questions relating to the deployment of their advanced meter. This will ensure jurisdictional specific issues are addressed and can assist with removing any points of customer confusion.

Aurora Energy also supports the introduction of a transition period before tariff reassignment. This currently exists in Tasmania and allows for a period in which advanced meter data can provide greater certainty on whether an alternative, cost reflective tariff is suitable for a customer. An underpinning framework is also required that ensures customers are encouraged and not penalised for responding to network price signals. The above measures are current practice in Tasmania and to date have been effective and not given rise to customer complaints.