2 February 2023

Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
SYDNEY NSW 2000

Dear Ms Collyer

Draft Report: Review of the Regulatory Framework for Metering Services (EMO0040)

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Commission in response to the *Review of the Regulatory Framework for Metering Services* draft report.

The attached submission is provided by Energy Queensland, on behalf of its related entities, including:

- Distribution network service providers, Energex Limited and Ergon Energy Corporation Limited;
- Regional service delivery retailer, Ergon Energy Queensland Pty Ltd; and
- Affiliated contestable business, Yurika Pty Ltd and is subsidiaries, including Metering Dynamics Pty Ltd trading as Yurika Metering.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact me or Charmain Martin on 0438 021 254.

Yours sincerely

Alena Chrismas

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Acting Manager Regulation

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Energy Queensland Submission

AEMC Review of the regulatory framework for metering services

Draft report

Energy Queensland Limited

2 February 2023

About Energy Queensland

Energy Queensland Limited (Energy Queensland) is a Queensland Government Owned Corporation that operates businesses providing energy services across Queensland, including:

- Distribution Network Service Providers, Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy);
- a regional service delivery retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail); and
- affiliated contestable business, Yurika Pty Ltd and its subsidiaries, including Metering Dynamics Pty Ltd trading as Yurika Metering.

Energy Queensland's purpose is to 'safely deliver secure, affordable and sustainable energy solutions with our communities and customers' and Energy Queensland is focused on working across its portfolio of activities to deliver customers lower, more predictable power bills while maintaining a safe and reliable supply and a great customer service experience.

Our distribution businesses, Energex and Ergon Energy Network, cover 1.7 million km^2 and supply 34,000GWh of energy to 2.25 million homes and businesses each year.

Ergon Energy Retail sells electricity to 738,000 customers in regional Queensland.

Energy Queensland also includes Yurika, an energy services business creating innovative solutions to deliver customers greater choice and control over their energy needs and access to new solutions and technologies. Yurika Metering, which is a subsidiary of Yurika, is a registered Metering Coordinator, Metering Provider, Metering Data Provider and Embedded Network Manager. Yurika is a key pillar to ensuring that Energy Queensland can respond and adapt to changes and developments in the rapidly evolving energy market.

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1. Introduction

On 3 November 2022, the Australian Energy Market Commission (AEMC) published the *Draft Report: Review of the Regulatory Framework for Metering Services* (draft report). The draft report follows the AEMC's initial consultation paper and directions paper that sought stakeholder feedback on the effectiveness of the framework for competitive metering services that commenced operation in the National Electricity Market (NEM) on 1 December 2017.

The draft report sets out the AEMC's recommendations for accelerating the deployment of smart meters across the NEM, including the following key recommendations:

- a new pathway to 100 per cent uptake of smart meters by 2030 in NEM jurisdictions;
- enhancing metering arrangements and addressing problems with current arrangements, including amendments to the National Electricity Rules (NER);
- transitional measures to support customers through the accelerated smart meter deployment program; and
- new requirements to enable new customer benefits to be realised from smart meters.

The AEMC has requested feedback on these recommendations and the issues raised in the draft report by 4 February 2023. Energy Queensland's comments are provided in sections 2 and 3 of this submission.

2. General comments

Energy Queensland welcomes the opportunity to provide feedback in response to the AEMC's draft report on its review into the regulatory framework for metering services. This submission is provided by Energy Queensland, on behalf of its related entities, including:

- Distribution Network Service Providers (DNSPs), Energex and Ergon Energy Network;
- regional service delivery retailer, Ergon Energy Retail; and
- contestable metering business, Yurika Metering (registered as a metering coordinator and accredited to provide metering provider and metering data provider services to business and residential customers in the NEM).

Energy Queensland's distribution, retail and metering services businesses seek to energise Queensland communities by safely delivering secure, affordable and sustainable energy solutions with our communities and customers.

Energy Queensland remains supportive of the AEMC's review of the regulatory framework for metering services and of its objective "to enable the deployment 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 customers."[1]

Energy Queensland agrees that smart meters will play a fundamental role in the transformation of the electricity sector and transitioning to net zero. The role of smart meters as a critical enabler for the reform program currently underway emphasises the importance of ensuring that the regulatory framework for metering services is fit-for-purpose and supports the realisation of the potential benefits enabled by smart meters. The proposals to address existing regulatory barriers and increase the pace of deployment to achieve a critical mass by 2030 will support the transition to the future energy system and allow customers to benefit from smart meters sooner.

[1] AEMC, *Draft Report: Review of the regulatory framework for metering services*, 30 November 2022, p. 1.

Energy Queensland has considered the recommendations and options put forward by the AEMC in the draft report and supports:

- ***The proposal to accelerate smart meter deployment to target 100 per cent uptake by 2030 in NEM jurisdictions***

  This proposal is consistent with the Queensland Government's commitment to target 100 per cent penetration of smart meters by 2030 as set out in the recently published *Queensland Energy and Jobs Plan*. The Queensland Government's plan highlights that 100 per cent penetration of smart meters by 2030 will accelerate the effective integration of customer energy resources, including rooftop solar, home batteries and electric vehicles, and ensure that customers can get the most out of their investments.[2]

  However, Energy Queensland notes that the proposed acceleration period to target universal uptake of smart meters by 2030 will not begin until 2025. To ensure the target can be reached by 2030, and to minimise the potential operational and commercial impacts of accelerated deployment on market participants, consideration should be given to fast-tracking enabling reforms where possible and encouraging the voluntary acceleration of legacy meter replacements earlier.

  In addition, in the interests of accelerating the deployment of smart meters to support the transition to the future energy system, further consideration should be given to options that will enable DNSPs to assist in delivering the 100 per cent penetration target by 2030, e.g. the ability for DNSPs to enter into commercial arrangements with retailers and / or metering coordinators to undertake smart meter installations on their behalf under certain circumstances.

- ***A legacy meter retirement plan as the preferred mechanism to accelerate smart meter deployment***

  This approach assigns responsibility for developing the legacy meter retirement plan to the party best placed to provide information on the status and location of legacy meters (i.e. DNSPs) with input from impacted stakeholders. In our view, the legacy meter retirement plan will result in the most efficient and cost-effective delivery of the 2030 accelerated deployment target.

[2] Queensland Government, *Queensland Energy and Jobs Plan: Power for generations*, September 2022, p.36.

- ***Removal of the requirements for the testing and inspection of legacy meters***

  The removal of the requirement for DNSPs to test and inspect legacy meters that will be replaced under the legacy meter retirement plan is appropriate. Energy Queensland agrees that the benefits of testing and inspecting meters about to be replaced will unnecessarily add additional cost burdens in excess of the potential benefits to be gained as well as create complexities in planning and implementing the accelerated deployment program.

- ***Removal of the ability for customers to opt-out of the installation of a smart meter and the option to disable remote access***

  Removal of these features from the metering services framework would result in a more efficient rollout of smart meters and ensure that the safety, customer and network benefits of smart meters can be realised sooner. However, further consideration of unintended consequences that may result from this proposal and how those issues will be addressed is required, including the treatment of customers who are strongly opposed to the installation of a smart meter and refuse to provide safe access.

- ***Development of a process to encourage customers to remediate site defects and track sites that need remediation***

  To achieve 100 per cent penetration of smart meters by 2030, it is important that a process to encourage customers to remediate site defects preventing the installation of a smart meter is implemented and that financial assistance is provided to customers in vulnerable circumstances.

- ***Supporting better coordination for multi-occupancy scenarios***

  Energy Queensland acknowledges that an efficient solution to coordinating meter replacements for customers on a shared fuse in multi-occupancy scenarios is required. While Energy Queensland agrees that the "one-in-all-in" approach appears to be an effective solution to addressing the issues associated with replacing legacy meters in multi-occupancy premises, we consider it will be challenging to apply in practice. Significant effort will be required to coordinate multiple participants to undertake this work safely, efficiently and cost-effectively and with minimal disruption to customers. Further detailed consideration of the process is therefore recommended to ensure this approach will work effectively in practice.

- ***Supporting customers to receive a smart meter from a retailer for any reason***

  The proposal to allow customers to receive a smart meter from a retailer for any reason will assist in the faster deployment of smart meters and enable customers

to benefit earlier. However, while supportive of the intent of this proposal, Energy Queensland is of the view that the obligations and timeframes to be placed on retailers for non-essential customer-initiated meter exchanges requires further consideration, particularly where this requirement may have the potential to create practical challenges and costs for retailers and metering providers or impact the efficient delivery of the broader accelerated deployment program.

- ***No change to the current framework with respect to tariff assignment policy under an accelerated smart meter deployment***

  The current tariff assignment policy is fit-for-purpose and effective in safeguarding the interests of customers. It is in customers' long-term interests for the Australian Energy Regulator (AER) to continue to apply its discretion based on the prevailing circumstances.

- ***The requirement for metering coordinators to provide power quality data to DNSPs***

  It is critical that DNSPs are provided with certainty of access to "basic" power quality data (PQD) to ensure that the safety, operational and planning benefits of that data can be realised in the long-term interests of, and at the lowest cost to, electricity consumers.

  However, the existing challenges experienced by DNSPs in negotiating terms for delivery of smart meter data services have not been fully resolved under the current proposal which will require DNSPs to negotiate a price to access data with metering coordinators. In our view, adopting an alternative model where access to "basic" PQD is provided to DNSPs at zero cost (with prices for this service to be negotiated by the retailer and metering coordinator and costs recovered through the retailer and metering coordinator annuity) will result in the lowest cost outcome for customers. Energy Queensland agrees that it is appropriate for additional "advanced" services to be subject to commercial negotiation between the parties.

- ***Preparing the market for near real-time innovations enabled by a critical mass of smart meters***

  Energy Queensland supports further investigation into the enablement of customer access to near real-time data sooner to support innovations enabled by a critical mass of smart meters.

Finally, Energy Queensland would also like to draw the AEMC's attention to the difficulties being experienced by metering coordinators and metering providers in meeting compliance obligations under the NER in relation to testing and compliance of high voltage (HV) metering installations, specifically the testing of customer-owned instrument

transformers (i.e. current transformers and voltage transformers). Difficulties are being encountered as a result of customers being unaware of or, in some instances, unwilling to assist in facilitating, the requirement for their HV instrument transformers to be tested. Customers can be reluctant to agree to outage requirements to allow testing to be performed or to pay costs associated with engaging an appropriately qualified testing services provider. As a result, metering coordinators and metering providers may be unable to have the necessary works completed to ensure the metering installation is compliant with NER requirements. This is an area Energy Queensland considers needs further investigation and potentially a rule change to ensure facilities and support exists to assist metering coordinators and metering providers in meeting their obligations.

Energy Queensland appreciates the extensive consultation the AEMC has undertaken with participants and other stakeholders during its review of the regulatory framework for metering services to date, including the ability for representatives from Energex and Ergon Energy Network, Ergon Energy Retail and Yurika Metering to participate in the Metering Services Reference Group and Sub-Groups. We look forward to continuing to engage with the AEMC in the development of its final report and recommendations.

Energy Queensland is available to discuss this submission or provide further detail regarding any of the issues raised.

3. Detailed comments

AEMC Question	Energy Queensland Response
QUESTION 1: IMPLEMENTATION OF THE ACCELERATION TARGET	
1. Do stakeholders consider an acceleration target of universal uptake by 2030 to be appropriate?	Energy Queensland supports the proposal to accelerate smart meter deployment to target 100 per cent uptake by 2030. We note this target is aligned with the Queensland Government's commitment to target 100 per cent penetration of smart meters by 2030.[3] However, Energy Queensland considers it is important to recognise that 100 per cent uptake will be difficult to achieve in practice and that, despite participants' best endeavours, there will likely be a percentage of legacy meters that have not been upgraded to a smart meter at the conclusion of the acceleration period. For example, it is expected that there will be a number of legacy meters not replaced as a result of difficulties in gaining access for a meter exchange or where customer site defects have not been remediated. In addition, there may be unanticipated operational and financial challenges beyond participants' control that will have the potential to impact achievement of the 100 per cent target and substantially increase the costs of compliance, including: • difficulties in sourcing smart meters due to manufacturer supply constraints and increased demand as a result of accelerated deployment across the NEM; and • ongoing issues associated with skills shortages and increased competition for appropriately qualified meter installers. In consideration of the above, Energy Queensland is of the view that opportunities to fast-track reforms to accelerate the pace of smart meter deployment prior to 2025 should be considered. Increasing the pace of smart meter deployment earlier would allow participants additional time within which to deliver targets and assist in minimising commercial and operational impacts.

[3] Ibid., p.36.

AEMC Question	Energy Queensland Response
	In addition, in the interests of accelerating the deployment of smart meters to support the transition to the future energy system, we recommend that further consideration is given to options that will enable DNSPs to assist in delivering the 100 per cent penetration target by 2030. While Energy Queensland acknowledges that the *Expanding competition in metering and related services* reforms and ring-fencing obligations prevent DNSPs from installing smart meters, accelerating smart meter deployment will likely be challenging for metering coordinators given issues associated with availability of suitably qualified and skilled installers. In our view, there is therefore value in further investigating the ability for DNSPs to enter into commercial arrangements with retailers and / or metering coordinators to undertake smart meter installations on their behalf under certain circumstances, e.g. when DNSP resources are required to attend site to perform network tasks. Enabling the bundling of services in this way will not only assist retailers and metering parties to meet deployment targets but would also minimise customer impacts. Further, notwithstanding our support for the 2030 deployment target, the scale and nature of the acceleration program (with approximately 1.5 million[4] installations currently needing to be upgraded across Queensland), will require the involvement and coordination of a significant number of suitably qualified and experienced personnel, including meter installers, electrical contractors and DNSP field resources. Given the acceleration program is a NEM-wide initiative that will require participants to "ramp-up" their capacity to meet potentially challenging accelerated targets, further consideration of the potential for increased safety risks associated with the following is required: • the availability of suitably trained and qualified installers to meet accelerated targets;

[4] As at 25 January 2023.

AEMC Question	Energy Queensland Response
	• the need to manage site hazards and defect issues that inhibit the safe exchange of meters which, if not managed appropriately, have the potential to cause health and safety issues (e.g. asbestos exposure, fire or shock); • the requirement to clearly define roles and responsibilities and develop safe work practices if the "one-in-all-in" approach to meter replacements in multi-occupancy sites is adopted; and • the ability for participants to safely deliver the retirement schedule within accelerated timeframes, i.e. participants should not be placed under undue pressure to achieve unrealistic targets. It is therefore recommended that the AEMC engage with jurisdictional safety regulators to ensure the risks associated with implementing a large-scale rollout of smart meters across the NEM are acknowledged and sufficient regard is given to compliance and enforcement actions, including auditing and testing of electrical works to make sure all parties are operating in an electrically safe way and are meeting their obligations.
2. Should there be an interim target(s) to reach the completion target date?	It is important that a planned approach to deployment is adopted to ensure the completion goal of 2030 is delivered safely and efficiently and with minimal operational and financial impacts on participants. Energy Queensland therefore agrees that reporting by retailers on interim milestones, e.g. yearly targets, will be a useful mechanism to not only provide visibility for participants and other stakeholders on progress with the deployment plan but also to identify and address any emerging issues impacting the rate of deployment. However, in setting interim targets, appropriate safeguards will be required to ensure participants can respond to operational or financial challenges beyond their control, such as unforeseen events, resourcing constraints or metering equipment supply chain issues like those experienced during the COVID-19 pandemic. It may therefore be necessary to provide the ability for interim targets to be revised and adjusted under certain circumstances, while balancing the need to deliver the 2030 target safely, efficiently and cost-effectively.

AEMC Question	Energy Queensland Response
	Similarly, while we acknowledge the importance of monitoring participants' progress against the plan, in our view the AER's compliance and enforcement regime will need to take these factors into consideration when assessing participants' compliance with targets. No enforcement action should be taken against participants for failing to meet targets due to circumstances beyond their control or where a meter replacement has been *attempted* but failed due to customer site access or remediation issues.
3. What acceleration and/or interim target(s) are appropriate?	Energy Queensland supports an annual target (with a suitable tolerance applied to allow for flexibility to meet retail market challenges) for project monitoring purposes and to ensure the safe, efficient and cost-effective deployment of smart meters.
4. Should the acceleration target be set under the national or jurisdictional frameworks?	Energy Queensland considers the requirement to include acceleration targets in the legacy meter retirement plan should be set out in the national framework to provide consistency across the NEM and simplify compliance for industry participants. However, the detail of the interim targets should be considered at the jurisdictional level to ensure the acceleration can reasonably be delivered by participants involved, taking into consideration local policy objectives, jurisdictional electrical safety requirements and operating circumstances.
QUESTION 2: LEGACY METER RETIREMENT PLAN (OPTION 1)	
1. Do stakeholders consider this approach feasible and appropriate for accelerating the deployment of smart meters?	Energy Queensland considers that the proposed legacy meter retirement plan is a feasible approach to accelerating the deployment of smart meters. However, this approach will require genuine and effective consultation between the DNSP, retailers, metering parties and jurisdictional governments to ensure the objectives of each party and the needs of customers are taken into consideration, including maximising the realisation of benefits for customers and market participants as quickly as reasonably possible. While we agree that DNSPs are best placed to develop the plan based on their access to information on the status and location of legacy meters, understanding stakeholders' needs and balancing conflicting priorities to reach agreement on the plan will involve the investment of considerable time and administrative effort by DNSPs.

AEMC Question	Energy Queensland Response
	Further, given the dynamic nature of the electricity industry and market, the framework may need to include provision for periodic (perhaps annual) review and, where necessary, amendment of the legacy meter retirement plan. Notwithstanding the above, option 1 is Energy Queensland's preferred approach.
2. Do stakeholders consider the Commission's initial principles guiding the development of the Plan appropriate? Are there other principles or considerations that should be included?	Energy Queensland considers the initial guiding principles to be broadly appropriate to support the development of the legacy meter retirement plan. However, as noted in answer to question 1.1 above, the safety of electricity workers, customers and the community must always be the first priority for all electrical works, but particularly for a plan that requires increased scale and speed to implement. Therefore, Energy Queensland considers that the ability for participants to safely deliver the retirement schedule within accelerated timeframes should be included as a guiding principle. In addition, while Energy Queensland agrees with the principle that a geographic approach will likely lead to the most efficient retirement of legacy meters from a planning and resourcing perspective, we note that other drivers, such as family meter failures or a preference to prioritise difficult-to-read sites or vulnerable customers experiencing payment difficulties, will also be influencing factors. Finally, while we support the principle that the retirement of meters should consider the impact on metering parties and retailers, achieving agreement on the retirement plan may prove challenging. For example, there are currently approximately 60 energy retailers active in South East Queensland and multiple metering providers, each with varying levels of market share and dispersion across the region. Consequently, additional clarity will be needed as to the extent agreement needs to be reached on the approach to retirement of legacy meters and whether the final decision will rest with DNSPs (or the AER).
3. If this option is adopted, what level of detail should be included in the regulatory framework to guide its implementation?	If this option is adopted, further detail is required regarding exclusions from the requirement to replace targeted meters within the specified timeframes and mechanisms to manage customer-specific site remediation issues and legacy meters that have not been replaced at the conclusion of the retirement plan period.

AEMC Question	Energy Queensland Response
4. Do stakeholders consider a 12-month time frame to replace retired meters appropriate? Should it be longer or shorter?	Energy Queensland considers a 12-month timeframe to replace retired meters should be sufficient to allow participants to prioritise and plan their workloads under normal circumstances. However, as noted previously, achievement of this timeframe may be impacted by unforeseen events or operational and financial issues beyond participants' control.
5. Are there aspects of this approach that need further consideration, and should any changes be made to make it more effective?	To ensure the success of this approach, further consideration and clarification is required with respect to: • the process and timeframes for DNSPs to develop and consult on the legacy meter retirement plan and obtain the AER's approval, noting that onerous consultation and approval obligations will extend the time required to develop the plan before it can be implemented; • expectations that will be placed on DNSPs in consulting with stakeholders on the development of the plan and demonstrating how stakeholders' views and priorities have been taken into consideration, particularly as facilitating an agreed outcome is unlikely to be possible; • a mechanism for DNSPs to recover the costs incurred in developing and consulting on the retirement plan, noting that it is unlikely that these additional costs will meet the materiality threshold for a positive pass through event; • responsibility for reporting against deployment targets and what, if any, enforcement action will be taken against participants for failing to meet targets; and • the plan for managing legacy meters that have not been upgraded at the conclusion of the acceleration period in 2030, i.e. meters that cannot be exchanged due to unresolved site access or defect remediation issues.
QUESTION 3: LEGACY METER RETIREMENT THROUGH RULES OR GUIDELINES (OPTION 2)	
1. Do stakeholders consider option 2 feasible and appropriate for accelerating the deployment of smart meters? Are there aspects of option 2 that	Prescribing a plan for the retirement of legacy meters in the NER or market body guidelines may be feasible. However, a prescriptive approach determined by parties with no practical involvement in the operational aspects of smart meter deployment is likely to be less efficient and lack the flexibility to respond to participants' needs and changing circumstances than an industry-developed plan.

AEMC Question	Energy Queensland Response
would benefit from further consideration?	As noted previously, Energy Queensland's preferred approach is option 1 as it assigns responsibility for developing the legacy meter retirement plan to the party best placed to provide information on the status and location of legacy meters.
2. Are market bodies the appropriate parties to set out the legacy meter retirement schedule?	Energy Queensland does not consider that market bodies are well-placed to determine the practical aspects of legacy meter retirement. Assigning responsibility to parties with no practical involvement or experience in the operational aspects of meter deployment would rely on those parties acquiring a detailed understanding of industry processes and concerns to develop a robust schedule that could be delivered safely, efficiently and economically by participants.
3. If option 2 is adopted, should the meter retirement schedule be located in the rules, or guidelines developed by the AER or AEMO?	Energy Queensland does not support adoption of this option. However, if adopted, Energy Queensland would prefer that the schedule be located in an instrument that can be easily reviewed and amended, such as an AEMO guideline. Tabling the schedule in the NER or an AER guideline is less desirable due to the consultation process and separation of technical understanding of market processes.
QUESTION 4: RETAILER TARGET (OPTION 3)	
1. Do stakeholders consider option 3 is feasible and appropriate for accelerating the deployment of smart meters? Are there aspects of option that need further consideration?	While retailers have overall responsibility for arranging the provision of metering services under the framework and are the most appropriate party to be at the forefront of the accelerated deployment of smart meters, option 3 is not preferred due to the complex issues that would need to be addressed if this option was to be adopted. As noted by the AEMC, these issues include customer churn and the changing nature of retailers' customer portfolios, and different geographic footprints. This approach also appears to place a greater burden on retailers to justify their deployment approach and how they engage with customers. Other issues with option 3 include: • the ability for retailers to develop plans that are not perceived as biased; • the lack of apparent benefits for retailers from the additional cost burdens associated with the development of an accelerated deployment plan (unlike option 1 which will exempt DNSPs from the need to continue to test and inspect legacy meters); and

AEMC Question	Energy Queensland Response
	• the requirement to collaborate with and seek input from other stakeholders, in particular DNSPs who would need to provide information about their legacy meter fleet to each retailer operating in their distribution area. A legacy meter retirement plan (option 1) remains the most feasible option as it will likely result in the most efficient and cost-effective accelerated deployment of smart meters.
2. If this option is adopted, what are stakeholders' suggestion on how retail market dynamics could be taken into consideration in both setting the uptake targets and monitoring performance?	Energy Queensland notes that the *Expanding competition in metering and related services* reforms were intended to result in a market-led deployment of smart meters, as it was considered that this approach would result in a more economically efficient outcome in the long-term. The reforms recognised the central role of retailers in deploying smart meters and avoided the adoption of government-mandated rollouts of smart meters by DNSPs. While retailer-led deployment has been slower than some stakeholders would like, this outcome has, in part, been the result of deficiencies in the current framework. Given time and the necessary regulatory reforms to remove barriers and disincentives to deploying smart meters, it is possible that 100 per cent deployment of smart meters by retailers would eventually be achieved in the longer term. However, for reasons outlined above, Energy Queensland considers that option 1 is the only option that will deliver the accelerated deployment target by 2030 efficiently and cost-effectively.
3. Should the rules or a guideline outline only a high-level target (universal uptake by 2030 taking into account practicality of replacements) or more granular targets or interim targets?	Energy Queensland does not support adoption of this option. However, if option 3 were to be adopted, we consider that a high-level target is likely to be appropriate, supported by interim (e.g. yearly) milestones and sufficient flexibility for retailers and metering parties to accommodate the operational and commercial challenges of the retail market. As the schedule would be a temporary measure that would only be required until the deployment program is completed in 2030, Energy Queensland does not consider that it would need to be captured in the NER and that a guideline would be sufficient.

AEMC Question	Energy Queensland Response
QUESTION 5: STAKEHOLDERS' PREFERRED MECHANISM TO ACCELERATE SMART METER DEPLOYMENT	
1. What is the preferred mechanism to accelerate smart meter deployment?	Energy Queensland's preferred approach is option 1 for the reasons outlined above.
2. What are stakeholders' views on the feasibility of each of the options as a mechanism to accelerate deployment and reach the acceleration target?	Refer above.
3. Are there other high-level approaches to accelerating the deployment that should be considered?	Energy Queensland considers that any of the above approaches should be complemented by a communications campaign to promote the benefits of smart meters and increase customer acceptance.
QUESTION 6: FEEDBACK ON NO EXPLICIT OPT-OUT PROVISION	
1. Do stakeholders have any feedback on the proposal to remove the opt-out provision for both a programmed deployment and retailer-led deployment?	Energy Queensland is supportive of the intent of the proposal to remove the provision for customers to opt-out of the installation of a smart meter for both retailer-led and programmed deployments to assist in the accelerated rollout of smart meters. Removal of the opt-out provision would simplify the process for retailers by eliminating an unnecessary administrative barrier to deployment and reduce the potential for confusion for customers and other parties. Further, the tragic death of an Energex meter reader in Brisbane on 3 December 2022 and the high incidence of meter readers (and other workers) sustaining injuries when entering properties with dogs highlight the importance of ensuring that the safety benefits of smart meters, including remote reading of meters, can be fully realised. Notwithstanding that removal of the ability for customers to opt-out of having a smart meter has the potential to support improved safety outcomes, there may be unintended safety consequences for electricity workers. Removing the opt-out provision has the potential to result in increased incidents of meter installers and other electricity workers encountering dangerous situations where customers strongly opposed to the installation of a smart meter threaten or carry out violence. If it

AEMC Question	Energy Queensland Response
	is determined to remove the opt-out provision, further consideration of how these customers will be managed and whether existing jurisdictional-level legislation supporting meter access rights provides sufficient protections and penalties. Energy Queensland further notes that if the ability to opt-out is removed and only one notice is required to be sent to customers to advise of meter replacement, it is important that the framework preserves the ability for retailers to incorporate the planned interruption notification (PIN) in the notice to ensure efficiency of deployment. We also suggest that: • in the interests of consistency and efficiency, it is essential that there is alignment of the notification processes for the retirement of legacy meters, retailer-led meter exchanges and the multi-occupancy "one-in-all-in" scenario (if adopted); • the AEMC should reconsider the consent arrangements for retailer PINs and defect notices to contemporise and make more efficient the delivery of these notifications to customers to further assist accelerated deployment, noting that Ergon Energy Retail's experience is that electronic notifications result in higher and more timely customer response rates; and • changes are made to permit the use of hyperlinks to additional information in notices (e.g. metering information on the retailer's website) to maximise customer utility, reduce inefficient communication and costs and better reflect contemporary practices.
2. Are there any unintended consequences that may arise from such an approach?	While we are supportive of the intent of the proposal to remove the ability for customers to opt-out of having a smart meter installed, unintended consequences that may arise from the removal of the opt-out provisions include: • increased incidents of meter installers and other electrical workers encountering dangerous situations where aggrieved customers threaten or carry out violence; • increased customer complaints to both retailers and DNSPs and additional workload associated with managing those complaints;

AEMC Question	Energy Queensland Response
	• increased numbers of customers requesting to have remote access disabled; and • site access issues and wasted truck visits in situations where customers do not allow access to a metering provider to install a smart meter. Given the nature of the retail market, the complexity of the metering framework and existing gaps, it is likely that there will be other unanticipated consequences that arise in the future. It is therefore suggested that regulators and market bodies should be vigilant in responding to any issues that arise and be prepared to act quickly to avoid delays in the deployment.
QUESTION 7: REMOVAL OF THE OPTION TO DISABLE REMOTE ACCESS	
1. Do stakeholders consider it appropriate to remove the option to disable remote meter access under acceleration?	There is potential for the removal of the opt-out provision to lead to an increase in the installation of Type 4A meters where the customer has communicated their refusal to have a meter that meets the minimum services specification (i.e. a remotely read meter) installed. While we understand that this approach attempts to balance the competing objectives of efficient deployment of smart metering with customer choice, the ability for customers to choose to have remote communications disabled inhibits realisation of key benefits from smart metering and leads to inefficiencies (e.g. due to the need to manually read the smart meter to obtain interval data) and higher overall metering costs. Further, it does not assist in alleviating ongoing access and safety issues experienced by meter readers. As previously noted, it is essential that the safety benefits of remote access for meter reading are realised to prevent future incidents of meter readers being killed or injured in dog attacks. Energy Queensland therefore supports the removal of the option to disable remote meter access, except where the telecommunications network is not available to allow remote access or under exceptional circumstances (e.g. where a customer is strongly opposed to the installation of a smart meter due to health concerns). If it is determined that customers should continue to have the ability to choose to disable remote communications on a smart meter, it is our view that those customers should bear the additional costs of manual meter reading and later activation of

AEMC Question	Energy Queensland Response
	remote communications, noting that these costs could be substantial if, for example, the customer is located in a remote region of the network.
QUESTION 8: PROCESS TO ENCOURAGE CUSTOMERS TO REMEDIATE SITE DEFECTS AND TRACK SITES THAT NEED REMEDIATION	
1. Do you consider the proposed arrangements for notifying customers and record keeping of site defects would enable better management of site defects?	Energy Queensland generally supports the proposed arrangements for notifying customers of site defects as a mechanism to encourage customers to remediate so that a smart meter can be installed. However, the proposal will represent a significant administrative burden for retailers and metering coordinators who will be required to develop a new process for the management of customer site defects, including provision of two new notifications. Therefore, if it is determined that the proposed process should be implemented, Energy Queensland requests that the use of electronic notifications to customers for site defects should be enabled to minimise that burden. Energy Queensland has also identified other issues likely to prove problematic and which require further consideration by the AEMC. These issues include the following: • ***How retailers will discover that site defects have been rectified*** The process outlined in section B.4.3 of the draft report does not address how retailers will discover if site defects have been rectified by the customer following the provision of two defect notices. The process appears to rely on the customer notifying their retailer that the defects have been rectified and the site is ready for installation of a smart meter. Therefore, unless notification is received from the customer, it is likely that the site will be discounted from the deployment program indefinitely. • ***How the proposed process will apply to sites with faulty meters*** While the proposed process for remediation may be appropriate for sites with a functional meter, it does not address circumstances where the meter has failed and must be replaced. Without specific measures to require customers to rectify site defects that are preventing the

AEMC Question	Energy Queensland Response
	installation of a new meter, the retailer's only option is to disconnect the premises to remain compliant with energy legislation. The ability to provide estimated reads for billing purposes may be permissible for a period of time but is not a workable long-term solution to this issue. • ***The role of jurisdictional electrical safety regulators in the process*** While the process proposes that the status of a site with defects is to be recorded in MSATS, access to this system is limited to registered participants. Energy Queensland suggests that jurisdictional electrical safety regulators should also have visibility of, and an interest in, managing the safety status of customers' electrical installations. This could be managed in a similar way to the legal requirement for electrical safety switches to be installed in domestic premises in Queensland. • ***Incentives for customers to rectify defects at their premises*** The proposed arrangement appears to assume that customers will be sufficiently engaged and willing to rectify site defects to enable the installation of a new smart meter. Recent experience suggests that customers are largely unwilling to meet the sometimes significant costs of rectifying electrical installation defects (e.g. presence of asbestos, insufficient size or wiring issues), particularly when the existing meter remains functional. Without supporting mechanisms to encourage customers to remediate, it is likely that many defects will remain unresolved post 2030. It should also be noted that failure of customers to rectify defects at their premises will have a flow-on impact for DNSPs who will be obliged to continue to manually read the existing legacy meter. Manually reading a decreasing fleet of legacy meters in geographically dispersed locations is inefficient and cost prohibitive. A plan is therefore required to ensure that all outstanding customer-side defects are remediated to allow installation of a smart meter so that DNSPs are not required to continue manual meter reads post 2030.

AEMC Question	Energy Queensland Response
QUESTION 9: IMPLEMENTATION OF THE 'ONE-IN-ALL-IN' APPROACH	
1. Would the proposed 'one-in-all-in' approach improve coordination among market participants and the installation process in multi-occupancy sites?	Energy Queensland notes that the proposed "one-in-all-in" approach to replacing legacy meters in multi-occupancy sites is intended to improve meter replacement efficiency and customer experience. Notwithstanding that greater coordination of effort has the potential to reduce the number of site visits and result in fewer supply interruptions for customers in principle, this approach will be challenging to implement in practice and does not provide a complete solution to the issues faced by participants at multi-occupancy sites. In particular, the "one-in-all-in" approach will require significant coordination between multiple participants (i.e. retailers, DNSPs and metering parties) to organise the replacement of all meters with shared fuses in multi-occupancy premises concurrently. As such, the success of the proposed approach will rely heavily on clear responsibilities and accountabilities being assigned to each participant at each step of the process to avoid inefficiencies, additional costs and poor customer experience (e.g. as a result of rescheduling outages due to inadequate scoping by the initial metering coordinator and wasted truck visits). Further, Energy Queensland notes that the AEMC considered the installation of meter isolation links as an alternative solution to the "one-in-all-in" approach but that this approach was discounted due to the significant legislative and implementation challenges it would pose and the potential to inhibit accelerated smart meter deployment. However, Energy Queensland considers there may be benefit in reconsidering a requirement for the installation of meter isolation links in multi-occupancy premises with shared fuses, given their potential to provide longer-term benefits to participants and customers, i.e. by allowing metering providers to undertake ongoing maintenance or future replacement of meters without interruption to other customers.
2. Are the time frames placed on each market participant appropriate for a successful installation process of smart meters?	Energy Queensland anticipates that challenges will be experienced in coordinating the availability of DNSP and metering provider resources to undertake meter exchanges on a specific date within the prescribed timeframes. For example, scheduling the timing of meter exchanges will be complicated by the need to accommodate customer requests for after-hours works at commercial premises or the need to undertake outages

AEMC Question	Energy Queensland Response
	on more than one day at a large installation. Consequently, Energy Queensland considers that the framework should recognise that there will be challenges in scheduling meter exchanges in some instances and that flexibility will be required to enable participants to balance the need to meet a prescribed installation timeframe with customers' needs. This could be achieved by allowing a longer window for meter exchanges (e.g. 30 business days) and permitting the exchanges to be undertaken on an agreed date (or dates). Energy Queensland also notes that the proposed timeframe appears to be based on an assumption that replacement of all legacy meters will be completed at the first attempt. In our experience this is unlikely to occur in a large proportion of instances given the high incidence of problems encountered at site, e.g. switchboard issues or limited working space to allow installers to work concurrently. It is therefore critical that there are clear responsibilities assigned to ensure that initial scoping of multi-occupancy sites effectively identifies any issues that need to be addressed prior to initiating the group meter exchange process. Further, it is unclear what status will be applied to legacy meters that are not replaced at the first attempt. If these meters are deemed to be "failed" (as has been proposed) and the replacement timeframe does not reset, compliance issues will arise (particularly if exemption provisions are removed as proposed). Energy Queensland recommends that the AEMC should consider its use of terminology in these circumstances and separate "failed" meters from those meters that have been "retired" and treat them differently for compliance purposes. Energy Queensland also notes that the proposed timeframe does not align with the process and timeframe for the failed exchange notification requirement, i.e. to align with a second, and potentially final, attempt. We therefore question whether it may be appropriate for the status of these individual premises to be returned to their status prior to the "one-in-all-in" assignment. Further, for clarity and efficiency, we consider it is essential that there is consistency in timeframes and notification requirements for retailer-led, retired replacement and multi-occupancy "one-in-all-in" replacements (if adopted). Finally, Energy Queensland seeks clarity on how individual customer requests relating to the installation of a smart meter

AEMC Question	Energy Queensland Response
	would be managed in the “one-in-all-in” approach. For instance, where commercial sites with multiple businesses request interruptions outside business hours to avoid unwanted disruptions to trade.
3. Are there any unforeseen circumstances or issues in the proposed installation process flow and time frames?	As noted in answer to question 1 above, the proposed process and timeframes may present resourcing and supply challenges for participants if multi-occupancy meter exchanges are not effectively planned and coordinated by impacted market participants. Energy Queensland is aware that an approach being considered involves the appointment of a primary metering coordinator to have responsibility for all NMIs at a multi-occupancy site. However, in our view, this approach may drive further meter exchanges where a retailer subsequently appoints their preferred metering coordinator after the “one-in-all-in” exchange. It is further noted that some proponents have suggested that the legacy meters to be retired under a “one-in-all-in” approach to multi-occupancy sites should be treated as “failed”. Energy Queensland recommends that this terminology should not be adopted since the meters have not failed and doing so will create confusion and / or concern for customers. It would also complicate the status of these meters if they are not replaced at the first attempt (as noted above). Further, the AEMC has proposed a 20 business day meter exchange window, but we note this timeframe was considered inadequate for installations arising from failed meter families. As such, we seek reconsideration of this timeframe to allow flexibility to schedule works as well as consistency and alignment of timeframes to reduce complexity, confusion and potential compliance issues.
4. How should DNSPs recover costs of temporary isolation of group supply from all retailers?	Energy Queensland does not consider that recovering the costs for the temporary outage from the retailer requesting the service where there are multiple retailers involved is reasonable and may act as a disincentive to retailers to initiate meter exchanges in multi-occupancy premises. However, requiring the DNSP to apportion costs across multiple retailers is also problematic given that the current process involves a single retailer requesting (and paying for) this service from the DNSP. This approach would therefore require further consideration, including the need for DNSPs to develop an appropriate alternative

AEMC Question	Energy Queensland Response
	control service fee for a temporary isolation of group supply that can be charged to multiple participants as well as any necessary B2B service order process and system changes. If this approach is adopted, care should be taken to ensure that any additional administrative burden placed on DNSPs is minimised as far as is practicable.
5. Can the proposed role of the DNSP in the one-in-all-in approach be accommodated by the existing temporary isolation network ancillary services?	Yes, but with modification. However, as noted in response to question 2 above, this approach would have a significant impact on both field and administrative resources.
6. Which party should be responsible for sending the PIN in the context of the one-in-all-in approach?	If the "one-in-all-in" approach proceeds, Energy Queensland considers that the DNSP should be responsible for providing the date of the outage to retailers to provide the PIN, as the customer's retailer will have details regarding the customer's preferred method of communication.
QUESTION 10: STRENGTHENING INFORMATION PROVISION TO CUSTOMERS	
1. Do you have any feedback on the minimum content requirements of the information notices that are to be provided by Retailers prior to customers prior to a meter deployment?	Energy Queensland generally agrees with the proposed minimum content requirements. However, we note that inclusion of advice on how a customer can access data from their smart meter will rely on the retailer providing a facility for customer access. Energy Queensland suggests that hyperlinks to additional information (e.g. the new smart energy website) should be permitted in the information notices. The ability to include hyperlinks will maximise customer utility, reduce paper waste and avoid customer dissatisfaction from receiving unwanted written materials. It also better reflects contemporary practices for effective communication between businesses and customers. Energy Queensland supports the ability to provide a date range / timeframe window for smart meter deployments to enable greater flexibility and efficiencies. The requirement for a notification for a specific date inhibits efficient scheduling of work in situations where the program is running ahead of schedule or delays are experienced in upgrading meters due to defects, site access issues or weather conditions. Additional administrative effort and costs are involved in reissuing notifications.

AEMC Question	Energy Queensland Response
2. Are there any unintended consequences which may arise from such an approach?	It is anticipated that despite the potential benefits of providing this information to customers, it is likely that a high proportion of customers will not read the information notices or struggle to understand the information presented. This can result in customer dissatisfaction.
3. Which party is best positioned to develop and maintain the smart energy website?	Energy Queensland considers that either the AER or a government agency would be best positioned to develop and maintain the proposed smart energy website. We agree that a single-source website containing consistent, customer-friendly and accessible information from a trusted authority is preferable to individual retailers developing and publishing their own content.
QUESTION 11: SUPPORTING METERING UPGRADES ON CUSTOMER REQUEST	
1. Do stakeholders support the proposed approach to enabling customers to receive smart meter upgrades on request?	Energy Queensland acknowledges that the intent of the proposal to allow customers to receive a smart meter from a retailer for any reason is to assist in the faster deployment of smart meters and enable customers to benefit earlier. However, we also note that the challenges currently faced by retailers and metering coordinators, including resourcing, meter procurement, site access and defect remediation issues, are likely to be ongoing and will continue to challenge the efficient and cost-effective deployment of new and replacement meters throughout the acceleration program. Therefore, while we are supportive of the intent of this proposal, Energy Queensland is of the view that the obligations and timeframes to be placed on retailers for non-essential customer-initiated meter exchanges requires further consideration, particularly where this requirement may have the potential to: • create practical operational and resourcing challenges and additional costs for retailers and metering service providers; or • impact the efficient delivery of the broader accelerated deployment program, including creating delays in other customers receiving their smart meters sooner as part of the targeted deployment program. If implemented, this proposal also has the potential to result in compliance issues for participants similar to those identified for failed meter families where the volumes and installation

AEMC Question	Energy Queensland Response
	timeframes may be misaligned, e.g. if a commercial customer requests new meters for a large number of sites or if a customer request forms part of a consumer campaign such as “One Big Switch”). Energy Queensland therefore recommends that the AEMC considers the practical challenges faced by retailers and their metering service providers and revise the proposed approach to give greater regard to how these issues relate to and impact the broader accelerated deployment program.
QUESTION 12: TARIFF ASSIGNMENT POLICY UNDER AN ACCELERATED SMART METER DEPLOYMENT	
1. Which of the following options best promotes the NEO: a. Option 1: Strengthen the customer impact principles to explicitly identify this risk to customers. b. Option 2: Prescribe a transitional arrangement so customers have more time before they are assigned to a cost-reflective network tariff. c. No change: Maintain the current framework and allow the AER to apply its discretion based on the circumstances at the time.	Energy Queensland supports no change to the current framework. We consider that it is in the long-term interests of customers to continue to allow the AER to apply its discretion based on the circumstances at the time. The effectiveness of the current framework to safeguard the interests of customers is evident in the transitional arrangements that apply under the current Tariff Structure Statements (TSS) for Energex and Ergon Energy Network. For example, to satisfy the customer impact pricing principle set out in the NER, the AER required that the Queensland DNSPs apply a twelve-month grace period to the large number of existing customers with a smart meter that remained on the flat tariff at the end of the previous regulatory control period. This element of the current TSS resulted in these customers being reassigned to the transitional demand tariff on 1 July 2021. The additional twelve months gave these customers (and their retailer) time to prepare for the introduction of more cost-reflective pricing. The current TSS also applies ongoing transitional arrangements where customers that have their basic accumulation meter replaced for the reasons that are not initiated by the customer (e.g. due to end of life) during the current regulatory control period are kept on their existing flat network tariff for twelve months from the date of the meter replacement grace period.

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2. Under options 1 or 2, should the tariff assignment policy apply to: a. all meter exchanges – for example, should the policy distinguish between customers with and without CER? b. the network and/or the retail tariffs?	Energy Queensland supports no change.
3. What other complementary measures (in addition to those discussed above) could be applied to strengthen the current framework?	Energy Queensland has no further comment.
QUESTION 13: MINIMUM CONTENTS REQUIREMENT FOR THE 'BASIC' PQD SERVICE	
1. Should the 'basic' PQD service deliver any other variables besides voltage, current, and phase angle?	Energy Queensland agrees that the "basic" PQD service should deliver instantaneous voltage, current and phase angle / power factor, with additional "advanced" services provided as agreed between the parties. To realise the benefits of PQD, DNSPs require certainty of ongoing receipt of instantaneous data at five-minute intervals at least every 24 hours and in a standardised data delivery format. An instantaneous measurement better supports neutral integrity detection and determination of active and reactive power flow. An additional five-minute average voltage metric would also be beneficial for other use cases, such as power quality and dynamic operating envelopes. Providing DNSPs with access to "basic" PQD for 100 per cent of smart meters installed is essential if networks are to deliver the important safety benefits smart meters will enable at customers' premises, i.e. the ability to effectively detect broken neutrals and

AEMC Question	Energy Queensland Response
	faults. Further, PQD from a high penetration of smart meters (estimated to be at least 60 per cent[5]) is considered necessary to facilitate the significant operational efficiencies and network benefits that will accrue from smart meters, including: • greater network visibility and improved ability for networks to respond to and rectify power quality issues; • improved planning capability and reduced network investment costs; • improved efficiency in distributed energy resource compliance monitoring; • enhanced ability to accurately calculate dynamic operating envelopes to enable higher levels of energy exports from customers' solar and battery systems; and • reduced need for investment in network devices. Considering the range of benefits that will enable DNSPs to improve safety outcomes for customers, better manage and plan their networks and lower network costs, Energy Queensland is of the view that providing access to "basic" PQD for all smart meters as part of the standard provision of metering data services under the NER is in the long-term interests of electricity consumers.
2. Does the 'basic' PQD service require any further standardisation, e.g., service level agreements? If so, where should these service levels sit?	Energy Queensland supports standardised service level agreements to provide consistency in service expectation and delivery.
3. Should the Commission pursue a data convention to raise the veracity of 'basic' PQD?	Energy Queensland supports the development of a NEM-wide data convention to ensure consistency and accessibility of data.

[5] For example, see Acil Allen Consulting, *Report to Queensland Competition Authority, Advanced Digital Meters: Estimating the Potential Net Benefits*, 2 September 2019.

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QUESTION 14: UTILISING THE RIGHT EXCHANGE ARCHITECTURE FOR THE 'BASIC' PQD SERVICE	
1. Should the industry use the shared market protocol? If not, why?	Energy Queensland supports the AEMC's recommendation that the shared market protocol could be used to allow market participants associated with a specific NMI to access PQD in JSON format. We would also support a point-to-point transfer protocol if the mechanism and data structure are sufficiently standardised (i.e. Kafka event stream with defined JSON payload schema).
2. Should stakeholders exchange PQD directly, using NER clause 7.17.1(f)?	Energy Queensland supports direct exchange of PQD.
3. If so, should the Commission prescribe this in the rules, or could this be by agreement between parties?	The arrangements for sharing PQD should be based on agreement between the parties with a framework set out in the NER to provide clarity regarding the arrangements for continued provision of data in the event of retailer / metering coordinator churn.
QUESTION 15: PRICES FOR POWER QUALITY DATA SERVICES	
1. Is it sufficient for the prices for PQD services to be determined under a beneficiary pays model, especially with a critical mass of smart meters?	Energy Queensland has previously advocated that access to smart metering data should be provided to DNSPs on fair and reasonable terms and at a cost that reflects the reasonable cost to provide the service, and that DNSPs should have certainty that access will continue following retailer or metering coordinator churn. While the model proposed in the draft report will enable DNSPs to access PQD, Energy Queensland remains concerned that challenges associated with the existing model that requires DNSPs to negotiate for smart metering data services have not been fully addressed. Key unresolved issues include the following: • DNSPs will continue to need to negotiate with multiple metering coordinators across their distribution area to procure data (with the ongoing administrative burden and costs of negotiation);

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	• metering coordinators will continue to have an advantage over the DNSP in negotiating a price for data provision and no incentive to offer a lower price due to the absence of a competitor (as there can only be one metering coordinator appointed in respect of a connection point). This will allow the metering provider to set their pricing just below the cost of the next best alternative and so earn economic rent leading to reduced net benefit and higher costs for customers; • DNSPs will continue to have limited bargaining power in negotiations, other than the bypass threat to install a network device, and will likely need to accept the price offered by the metering coordinator; • the retailer is responsible for appointing the metering coordinator in respect of a connection point and is therefore in a better position to negotiate a price for provision of metering data services than the DNSP; • there is ongoing uncertainty as to which party has ownership of intellectual property in the data produced by a smart meter, noting that some large retailers have incorporated into their service agreements with metering coordinators that all data from the smart meter belongs to the retailer; • there is ongoing uncertainty as to whether DNSPs will continue to have access to data at the negotiated price if the metering coordinator (or retailer) at the connection point churns or whether the price will need to be renegotiated with the new metering coordinator (or retailer); • DNSPs will need to include business cases in their regulatory proposals for funding to procure data from metering coordinators for the regulatory control period but will lack certainty as to price; • DNSPs will recover the costs to procure PQD via distribution use of system charges (that will flow through to customers' electricity bills in the form of network service charges passed on by the retailer); and • customers will also pay the costs for provision of metering services by their energy retailer.

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	Considering the above, Energy Queensland is now of the view that the most suitable approach is for metering coordinators to provide "basic" PQD to DNSPs without charge and provision of "advanced" data services should be subject to commercial negotiation. This view is further supported by the fact that price regulation appears to have been discounted as the preferred outcome given the resourcing and implementation implications of this option for the AER.
2. Are alternative pricing models, e.g., principles-based or prescribing zero-cost access, more likely to contribute to the long term interest of consumers?	As noted above, Energy Queensland supports the provision of "basic" PQD to DNSPs at no cost, with prices for this service to be negotiated by the retailer and metering coordinator and costs recovered through the retailer and metering coordinator annuity. While we consider customers should only be required to pay the incremental cost for the metering coordinator to deliver "basic" PQD to DNSPs, requiring retailers to agree a price for provision of that data with their metering coordinators will likely be more effective in achieving an efficient price and lower cost outcome for customers than DNSPs (as price-takers) would be able to negotiate. It will also assist in avoiding the practical challenges associated with retailer or metering coordinator churn.
QUESTION 16: REGULATORY MEASURES TO ENABLE INNOVATION IN REMOTE ACCESS TO NEAR REAL-TIME DATA SOONER	
1. Do stakeholders support the Commission pursuing enabling regulatory measures for remote access to near real-time data? If so, would it be suitable to: a. Option 1: require retailers to provide near real-time data accessible by the consumer in specific use cases (while allowing them to opt-out). b. Option 2: allow customers to opt-in to a near real-	Energy Queensland is supportive of the AEMC further investigating the enablement of remote access to near real-time data sooner. Given the current low demand from small customers for this service, it is likely to be appropriate for customers to opt-in to a service to provide access to near real-time data from smart metering. The costs to provide this service are likely to vary with customer demand and should be recovered from the individual customer using the service. Energy Queensland also notes that the safety benefits for consumers of having smart meters largely requires the DNSP to access real-time data or their derivatives (e.g. alarms).

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time service via their retailer for any reason. c. Option 3: promote cooperation and partnerships between Retailers and new entrants for near real-time data services, e.g., in a regulatory sandbox.	
2. If so, could the Commission adapt the current metering data provision procedures?	It is Energy Queensland's understanding that the market interfaces do not support the provision of near real-time data. As part of its investigation, the AEMC should consider what would be required to enable this service.
3. Are there any standards the Commission would need to consider for remote access? E.g., IEEE2030.5, CSIP-AUS, SunSpec Modbus, or other standards that enable 'bring your own device' access.	As it is anticipated that remote access would be delivered via an application programming interface, the standards identified would not be suitable.
4. What are the new and specific costs that would arise from these options and are they likely to be material?	Energy Queensland notes that the costs associated with telecommunications, data retrieval and data provision are not immaterial and should not be considered as part of the existing metering service currently provided to customers.
QUESTION 17: REGULATORY MEASURES TO ENABLE INNOVATION IN LOCAL ACCESS TO NEAR REAL-TIME DATA SOONER	
1. Do stakeholders support the Commission considering regulatory measures for local access to near real-time data? If so, would it be suitable to:	Energy Queensland supports the AEMC considering measures to enable local access to near real-time data sooner. Access to near real-time data can significantly enhance the value of smart metering to individual customers at their premises. The smart meter can be the hub of the changing ecosystem and standards are integral to their facilitation. While codifying market

AEMC Question	Energy Queensland Response
a. Define a customer's right in access the smart meter locally for specific purposes? b. Outline a minimum local access specification, including read-only formatting and unidirectional communications? Are there existing standards that MCs can utilise, for example, IEEE2030.5, CSIP-AUS, or SunSpec Modbus? c. Codify a process for activating, deactivating, and consenting to a local real-time stream? If so, could the Commission adapt the current metering data provision procedures?	processes could be explored, it is not necessary to facilitate customer outcomes. We further note that discussions on this matter are being facilitated though other forums, including with respect to flexible trading arrangements. Energy Queensland notes that, given the volume of meters installed since 2017 and the varied specifications of those meters, many existing meters may not be able to support local near real-time data feeds. Further, even if the meters already deployed do have this functionality, there are likely to be costs associated with enabling this feature. Radio propagation, wiring changes, rectification costs and data security would also need to be considered. It is also noted that local access to smart meters was featured in specifications developed as part of the National Smart Meter Program in the late 2000s, and while the comprehensive minimum functionality specification developed under this program was recommended by the AEMC in its Power of Choice Review final report[6], a significantly scaled-back specification based on services was ultimately preferred by the AEMC in its *Expanding competition in metering and related services* final determination following advice from AEMO. This was to avoid "the risk of misjudging which services consumers and other parties accessing services enabled by advanced meters would value."[7] As a result, the opportunity for this functionality to be enabled in the several hundred thousand smart meters deployed since 2017 and any smart meters installed ahead of proposed reforms will be foregone.

[6] AEMC, *Power of Choice Review – giving consumers options in the way they use electricity*, Final Report, 30 November 2012, p. 102.
[7] AEMC, *Expanding competition in metering and related services*, Final Rule Determination, 26 November 2015, p. vii.

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2. Are there any other material barriers that the Commission should be aware of?	AEMO's minimum specification did not have this functionality as a base requirement. Therefore, inclusion of this functionality will result in an additional cost. There is an extra cost to leverage technology layers to the base metering requirement included as a value-added service.
QUESTION 18: ADDRESSING SHORT TERM COST IMPACTS AND ENSURING PASS THROUGH OF BENEFITS	
1. Are stakeholders concerned about the risk of short-term bill impacts as a result of the accelerated smart meter deployment? To what extent would the above offsetting and mitigating factors address this risk?	Energy Queensland acknowledges that customers are very sensitive to electricity prices due to cost-of-living pressures and that there is a risk of short-term negative bill impacts as a result of the accelerated deployment of smart meters before the longer-term benefits are realised. It is noted that there is a continued expectation that retailers will incur the costs of smart metering based on the prevailing assumption that they can recover the costs from customers. However, Energy Queensland remains concerned that, to offset bill impacts for customers, there is a risk that retailers will bear the significant additional costs in the short-term in anticipation that this expenditure will result in benefits in the long-term. Energy Queensland notes that various reports,[8] including the AEMC's draft report, have identified that the realisable financial benefits of smart metering will lag behind the costs of their deployment and that achievement of these expected benefits is not certain and nor is their flow through to retailers and customers (primarily due to the existence of unaddressed split incentives in smart meter costs and benefits).
2. If stakeholders are concerned about residual cost impacts, what practical measures could be put in place to address these risks?	Addressing the existing barriers to the installation of smart meters is expected to lead to significant benefits and cost-savings for retailers and DNSPs that will flow through to customers in the longer-term. However, there is limited ability under the framework for retailers to address the risk of short-term bill impacts other than continuing to absorb or smooth metering costs across their customer base.[9]

[8] For example, Queensland Competition Authority, *Ministerial advice – Benefits of advanced digital metering*, September 2019.
[9] Refer to the Queensland Competition Authority, *SEQ retail electricity market monitoring 2021-22*, December 2022.

AEMC Question	Energy Queensland Response
3. What are the implications for AER revenue determinations for the upcoming New South Wales, Australian Capital Territory and Tasmania DNSP regulatory control periods? Is there a risk that network cost savings as a result of the accelerated smart meter deployment will not be fully passed through to consumers under the regulatory framework?	Energy Queensland considers that the risk is immaterial. In the short-term, the cost savings are likely to be insignificant, given that the network benefits from smart meters will depend on a critical mass of meters and data access. However, Energy Queensland expects that network cost-savings that arise as a result of the accelerated deployment of smart meters will ultimately flow through to customers in the long-term as they are realised and properly quantified.