

2 February 2022

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

Dear Ms Collyer

[RE: Submission to the Australian Energy market Commission \(AEMC\) Review of the Regulatory Framework for Metering Services \(Draft Report\).](#)

Everyone benefits from a cheaper and more efficient energy sector. So, on behalf of Australian households, businesses, industry and fellow suppliers, thank you for your work and the opportunity to respond to the AEMC's Draft Report.

Indeed, utilities are also facing significant pressures, generated by climate change, increases in population and ageing infrastructure. Failing to innovate or to address these risk factors is a risk in itself - not only to the economic performance of the utility, but its obligations to customers, employees and regulators.

SNAPI's response to the AEMC's Draft Report is therefore, primarily focused on the goal of accomplishing 100% digitisation of the NEM as soon as possible. We agree that reform is required. We agree that a holistic 'ecosystem' approach to data and services across the distribution network will accomplish digitisation sooner.

[“Many utilities see the digital revolution as a threat to their business model, but massive opportunities await those able to transform themselves ahead of the curve.”](#)

The Digital Utility: New Opportunities and Challenges - McKinsey & Co

Further, we agree that engaging alternative solutions to smart meters will circumvent the roadblocks that have contributed to low rates of digitisation of Australia's NEM to date. An alternative, holistic approach will also reduce the risk of a unilateral approach to digitisation which introduces further risk.

SNAPI welcomes you to review our response in detail, and how our AI Meter Reading solution may compliment the accelerated smart meter rollout.

WHO IS SNAPI?

SNAPI is an Australian, environmentally focussed technology company. Our purpose is to unlock utility data at massive scale to empower individuals, business and government with data that will change behaviour and build new value in a more environmentally conscious world.

“Any further delay in concerted global action will miss a brief and rapidly closing window to secure a liveable future.”

IPCC Working Group II Co-Chair Hans-Otto Pörtner Feb 2022

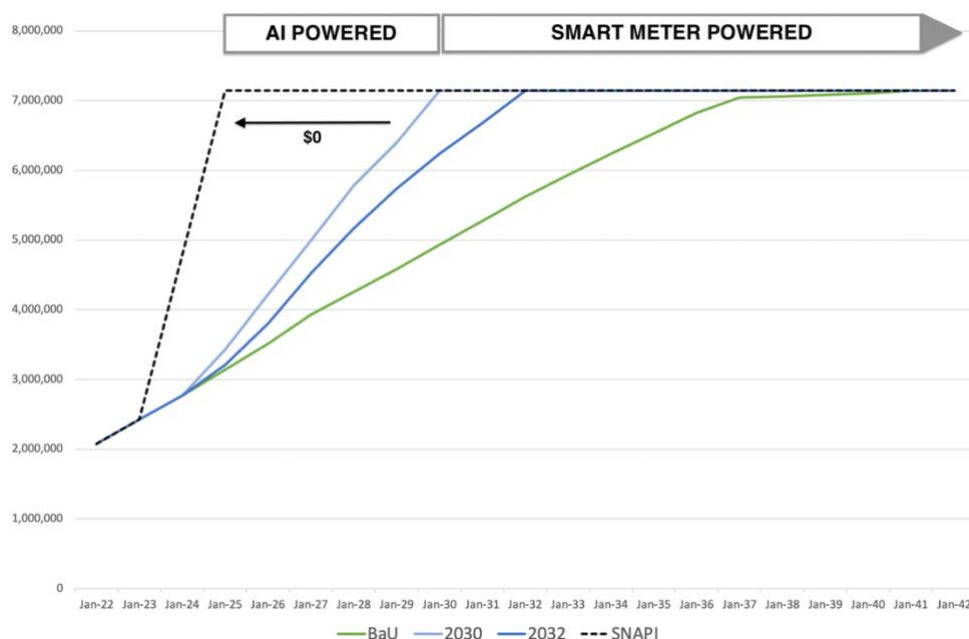
By transforming legacy accumulation meters into devices of remote data capture in seconds, SNAPI unlocks new capabilities for monitoring and measuring resource consumption, in addition to enabling decarbonisation mechanisms like solar soaking tariffs. By reducing the time, cost, complexity, and wastage associated with alternative methods, SNAPI enables digitisation of utilities across the NEM - at scale.

Our cloud-based AI digital meter reading device empowers utilities to digitise rapidly by reducing implementation time, cost, complexity and business risk associated with alternative digitisation methods, including smart meters.



SNAPI is designed to complement the accelerated rollout of smart meters, simultaneously mitigating risks while bringing forward benefits to improve the economics of the accelerated rollout.

As illustrated in our modelling below, introducing a rapidly scalable digitisation solution such as SNAPI into the accelerated smart meter rollout strategy, sees households and businesses across the NEM digitised sooner, at no additional cost, unlocking key economic benefits as identified by Oakley Greenwood. Doing so would only serve to increase the cost-effectiveness of an accelerated deployment of smart meters.



Our stakeholder feedback below focusses mainly on sections 2.2.3, appendix D and Question 18 of the Draft Report, where the Commission openly invites engagement on a broader 'ecosystem' approach to the future grid, and seeks feedback on additional safeguards to reduce residual risk of electricity bill increases due to the accelerated smart meter rollout.

SNAPI RESPONSES TO DRAFT REPORT QUESTIONS

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?

It is our opinion that a 'soft landing' approach is adopted. Under such an approach, opt-out provisions would remain for a set period, on the condition that customers accept remote digital reading capability via optocoupled digital readers. This approach simultaneously reduces costs and billing disputes and meanwhile improves service outcomes as detailed by Oakley Greenwood.

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?

Yes, it is appropriate to remove the option to disable remote access under acceleration. This provision negates the primary benefits and fundamental drivers for the digitisation of utility meters, essentially rendering the smart meter rollout a costly waste of time.

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?
2. Are there any unintended consequences which may arise from such an approach?
3. Which party is best positioned to develop and maintain the smart energy website?

We believe content that highlights decarbonisation impacts achieved by consumers via an accelerated smart meter rollout will shift consumer sentiment in favour and momentum to the initiative. Further, even the most reluctant consumer will be more likely to support the program, rather than consider an opt-out or request to disable remote access if provided decarbonisation insights and further information or tips on reducing energy costs via mechanisms enabled by meter digitisation. This information should be jointly developed, syndicated and publicly endorsed by federal, state and local government environment ministers.

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?

Accepting smart meter upgrade requests introduces inefficiencies and subsequently higher costs by eroding the efficiency gains of a geographically focussed installation strategy as detailed in Oakley Greenwoods cost-benefit analysis.

An alternative to this approach could be to introduce remote digital reading capability via optocoupled digital readers at no cost, thereby supporting many of the likely contributions to the NEO, such as usage data access and tariff options.

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.
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?
3. What other complementary measures (in addition to those discussed above) could be applied to strengthen the current framework?

An emissions reduction component will soon be legislated as an underlying principle of the national energy objectives so, while there is merit in both Options 1 and 2, Option 3 best supports the upcoming NEO changes by allowing flexibility in a rapidly changing environment.

In addition to facilitating the shift to cost-reflective pricing structures sooner, introducing remote digital reading capability on legacy accumulation and manually read interval meters is a potential complementary measure which would allow consumers to engage in decarbonisation initiatives, such as adopting 'solar soaker' tariffs.

QUESTION 16.

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-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?
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.
4. What are the new and specific costs that would arise from these options and are they likely to be material?

Assessing alternative means of accessing near real-time data is an option that has, until now, sadly been overlooked. SNAPI has developed a method of capturing data directly from existing legacy accumulation meters and manually read interval meters as an effective short-term measure that feeds into the expected long-term service outcome of smart meters. Readings are 99.9% accurate and streamed directly to SNAPI cloud. All three options presented by the AEMC are beneficial and, in our opinion, should not be mutually exclusive. MQTT, the OASIS standard messaging protocol is common among IoT devices and should also be considered for remote access.

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?
2. If stakeholders are concerned about residual cost impacts, what practical measures could be put in place to address these risks?
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?

Yes, there is potential pushback from consumers if up-front costs are applied to the accelerated roll out of smart meters.

However, the short-term bill impacts can be reduced by bringing forward benefits identified by Oakley Greenwood. By reducing the timeline to 100% digital with policy reform that enables a

holistic approach to digitisation, rapidly digitising and remotely reading any remaining legacy accumulation and manually read interval meters, at zero cost, by 2025, the AEMC would:

- Lower meter reading costs
- Reduce network costs
- Lower consumer costs (through additional tariff options)

Closing remarks

SNAPI looks forward to working actively with the AEMC to ensure that the smart meter rollout can be accelerated in a holistic way that benefits all stakeholders and the environment throughout the process.

We welcome further discussion in relation to this submission and would be pleased to provide any additional supporting information to the AEMC on request.

If you have any questions or would like to arrange a discussion, please contact me directly at mark@snapi.com.au or by phone on 0414 369 636.

Yours sincerely



Mark Hartmann
CEO