



Review of the regulatory framework for metering services

The Australian Energy Market Commission (AEMC) has published its final report for the *Review of the regulatory framework for metering services*. The report recommends a suite of reforms to accelerate the deployment of smart meters.

Smart meters provide the digital foundation for a modern, connected and efficient energy system. The AEMC is recommending an accelerated program to install smart meters at all homes and small businesses in the National Electricity Market (NEM) by 2030. Our recommendations include a framework to create smart meter installation programs for retailers, through plans developed by DNSPs. We also include supporting recommendations that will streamline the smart meter installation process, unlock benefits from smart meter data and services, and create a more positive customer experience. These reforms would need to progress through a rule change process.

Smart meters will modernise the grid and support the energy transition

The energy landscape is undergoing unprecedented change in response to market and technology developments, changing community expectations and the shift to a cleaner energy system. The Commission's overarching reform objective is to develop the framework for metering services so that it remains suitable for an energy system in transition, and best supports the current and future needs of customers.

The Commission has found that there is a clear case for accelerating the deployment of smart meters and implementing supporting reforms. Achieving a critical mass of smart meter deployment in a timely and cost-effective way will help deliver greater benefits to customers and support the system in transition.

Smart meters directly benefit customers by allowing them to better manage their energy bills through access to better information, better visibility of low-priced periods, and greater choice of retail offers. A higher take-up of smart meters would enable retailers to open up new service options, and allow customers to choose the services and pricing structures that best meet their needs.

Smart meters also help the electricity system run efficiently. Data from smart meters helps DNSPs improve the planning, operation and management of their networks, minimising network costs.

Smart meters are essential infrastructure for the energy transition and support CER integration. They enable a range of benefits that can help to reduce energy consumption, improve grid flexibility, and decarbonise energy supply. Smart meters can collect more granular data about the condition and capacity of the lower voltage network, which can be used to maximise CER hosting capacity and minimise the need for future network upgrades. In addition, smart meters enable DNSPs to offer 'solar soaker' tariffs that allow households to consume electricity in the middle of the day at very low cost — benefiting customers with and without CER.

A high take-up of smart meters will enable innovation in energy markets and in converging sectors such as electric vehicles (EVs). For example, smart meters could help us to better understand the impact of EV charging on the grid, and how best to manage this through tariffs or other approaches.

The reforms bring smart meter benefits to customers across four areas

Speeding up smart meter deployments

The Commission recommends a target of universal uptake of smart meters by 2030 in NEM jurisdictions. Distribution network service providers (DNSPs) would develop an annual schedule to retire legacy accumulation and manually read meters. The plan will need to be developed by DNSPs in consultation with key stakeholders following the set requirements, and be checked by the AER. Retailers would then be responsible for installing smart meters at these sites over the five-year acceleration period. Retailers would be required to report on their annual performance in undertaking meter replacements required under the plan.

This faster deployment will reduce smart meter installation costs, and enable customers and energy service providers to access the benefits of smart meters more quickly.

Supporting a positive customer experience in the transition to smart meters

We have identified new customer safeguards and improvements to existing arrangements to support a more positive customer experience in the transition to smart meters. These include:

- protecting customers from unexpected cost increases by
 - prohibiting retailers from charging upfront costs for meter replacements under an accelerated rollout
 - providing customers with adequate notice when transitioning to different tariff structures, and providing customers with additional information for informed decision-making
- providing customers with clear information about smart meters before installation
- affirming customers' right to request a smart meter at any time

Improving meter installation processes

We have identified opportunities to improve efficiencies and customer outcomes. We have developed measures to support installations in challenging sites (such as those with shared-fusing and defects), reduce the regulatory burden on retailers and DNSPs, reduce delays in meter replacements and facilitate better coordination between the industry.

Unlocking further benefits from smart meter data and services

We have developed measures to improve access to a broad range of data and services provided by smart meters, so that customers and the industry can derive greater benefits from this investment. First, we recommend improving customers' ability to access real-time data about their own energy usage. Second, we recommend that DNSPs should have free access to power quality data from all smart meters in their service area, to maximise their ability to improve network operation and planning, for consumers' long-term benefit.

Next steps

The goal of our recommended package of reforms is to achieve universal penetration of smart meters in the NEM by 2030. Given this target, the subsequent rule change and other regulatory processes required to implement the reforms would need to be completed in a timely manner. The Commission is committed to prioritising this process should a proponent submit a rule change request to accelerate the deployment of smart meters.

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