22 September 2023

Ms Anna Collyer
Chair
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Submitted online

Dear Ms Collyer

Rule change request: Accelerating the deployment of smart meters and unlocking their benefits

Intellihub, SA Power Networks and Alinta Energy congratulate the Australian Energy Market Commission (AEMC) on the recent completion of its review of the regulatory framework for metering services (metering review). We were active participants in the review and welcome the comprehensive recommendations set out in the review's final report that was published on 30 August 2023 (final report).

Smart meters are a critical enabler of the transition of the energy system. An accelerated deployment of smart meters as recommended by the AEMC will provide significant benefits to consumers by enabling them to access new services and data and better integrate consumer energy resources (CER). Smart meters also provide data and services that can be used by retailers, distribution network service providers (DNSPs), AEMO and other industry participants to benefit customers through more affordable electricity services and improved system security and safety.

The implementation of the AEMC's final report recommendations requires changes to the National Electricity Rules (NER) and National Energy Retail Rules (NERR). This rule change request is made jointly by Intellihub,[1] SA Power Networks[2] and Alinta Energy[3] and proposes a package of changes to the NER and NERR to implement the AEMC's recommendations.

The proposed rules set out in this rule change request will:

- Accelerate the deployment of smart meters so that all consumers can benefit from them. The proposed rules will implement a framework for a universal deployment of smart meters to all customers by 2030.
- Implement a range of measures to better support customers though the accelerated rollout. This includes improving the information provided to customers and applying new consumer protections when customers receive a smart meter.

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2 A partnership of: CKI Utilities Development Limited; PAI Utilities Development Limited; Spark Infrastructure SA (No 1) Pty Limited; Spark Infrastructure SA (No 2) Pty Limited; and Spark Infrastructure SA (No 3) Pty, trading as SA Power Networks. GPO Box 77, Adelaide, South Australia 5001.

3 Alinta Energy Retail Sales Pty Ltd. Level 13 Grosvenor Place, 225 George St Sydney, NSW 2000.

- Improve the meter installation process by reducing barriers to installing smart meters, enabling more efficient and coordinated deployments and improving the installation experience for customers.
- Implement a new regulatory framework for metering businesses to provide power quality data from smart meters to DNSPs. This will enable DNSPs to improve the visibility of their low voltage networks, better integrate CER and improve safety for customers.
- Clarify and improve the requirements for undertaking tests and inspections of meters to avoid unnecessary costs.

The proposed rule changes are explained in more detail in the rule change request. Detailed drafting instructions are also set out in Appendix A.

The proposed rules mirror the recommendations contained in the AEMC's final report and do not contain any material changes to the relevant recommendations. The only material difference between the proposed rules and the recommendations in the AEMC's final report is that this rule change request does not include the AEMC's recommendations in relation to real-time data.

We understand that the AEMC expects to progress the real time data recommendations through a separate rule change request. We support that approach so that the AEMC has flexibility to determine whether those recommendations are progressed on the same timeframe as our rule change request or whether a different timeframe is appropriate to enable further consultation. The proposed rules in our rule change request are based on the drafting instructions contained in the AEMC's final report, but the final report did not contain any drafting instructions for the real time data recommendations. As discussed below, we also propose that this rule change be progressed under the 'fast-track' rule change process, which would not be possible if the real time data recommendations were included.

We have jointly proposed this rule change request because we support the recommendations in the AEMC's final report and consider that they should be progressed as a matter of urgency. The AEMC is unable to self-initiate a rule change request, so we have joined together to submit this request to enable the AEMC to commence the rule change process. We may each have different views on detailed rule drafting matters as the rule change progresses and we will each make individual submissions to later stages of the rule change process.

The fact that a retailer, a DNSP and a metering business are able to jointly submit this rule change and endorse the AEMC's recommendations is a testament to the highly effective and extensive stakeholder consultation process the AEMC undertook as part of the metering review.

We note that in the final report the Commission stated that it 'is committed to prioritising these reforms should a proponent submit a rule change to us'. We encourage the Commission to prioritise this rule change request so that the benefits can be delivered to consumers as soon as possible.

We propose that the AEMC undertake a 'fast track' rule change process under section 96A of the National Electricity Law (NEL) and section 253 of the National Energy Retail Law (NERL). A fast-track rule change does not require the usual initial round of consultation and moves straight to a draft determination with a single round of consultation on the draft determination and draft rules.

The AEMC may adopt a fast-track process where the rule change request is based on recommendations contained in an AEMC review, the request is consistent with the relevant recommendations in the AEMC review, and there was adequate public consultation by the AEMC on the recommendations during the review.

We consider that each of these requirements is met due to the extensive consultation undertaken by the AEMC during the almost three-year metering review. A summary of the AEMC's extensive prior consultation is set out in Appendix B.

This rule change is an ideal candidate for a fast-track rule change process, which would avoid the need for an unnecessary initial round of consultation and submissions on the rule change request and allow the AEMC to move straight to developing its draft decision and consulting on the draft rules. This is expected to speed up the rule change process by several months, enable earlier implementation of the reforms and reduce risks that the necessary implementation steps will not be completed by the proposed 1 July 2025 start date for the accelerated smart meter deployment.

If you wish to discuss this rule change request, please contact any of Jonathan Hammond at Intellihub (jonathan.hammond@intellihub.com.au, 0431 885 092), Bryn Williams at SA Power Networks (bryn.williams@sapowernetworks.com.au, 0416 152 553) or Robert Lo Giudice at Alinta Energy (robert.logiudice@alintaenergy.com.au, 0419 539 638).

Your sincerely

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1. Issues to be addressed by the proposed rules

Smart meters are a key enabler of the transition of the energy sector. They enable a wide range of services to help customers reduce their energy costs. The data and services they can provide to retailers, DNSPs and AEMO also helps improve efficiency, system security, safety and affordability.

Smart meters provide access to a broader range of retail tariff offers that enable customers to take advantage of lower energy prices during off-peak times. They can provide detailed information on energy consumption, helping customers to use energy more efficiently and reduce costs. For customers with solar PV, batteries or electric vehicles, smart meters enable opportunities to engage in services like demand response schemes or virtual power plants that provide additional rewards for operating their resources in ways that support the grid.

Retailers are also increasingly using smart meters to provide customers with new ways to reduce their energy bills, such as thought advanced management of hot water heating and integration of customer energy resources (CER).

Similarly, smart meters can provide valuable data and services for AEMO and network businesses to help them manage a grid with higher penetrations of renewables and integrate increased amounts of CER while maintaining security and reliability. For example, DNSPs are currently facing increased issues with voltage limits in parts of their networks with high penetration of solar PV. This is challenging to manage efficiently due to a lack of data on their low voltage networks. Smart meter data can help networks improve the visibility of their low voltage networks to manage these issues and increase the amount of CER that can be connected, which can reduce network and wholesale energy costs and benefit all customers.

Meters are an enabler, forming the platform for accurate data collection. Smart meter data enables:

- customers to access potentially cheaper tariffs from retailers, such as through solar soaker tariffs, allowing customers with and without CER to benefit;
- DNSPs to run their networks more efficiently, and to develop strategies that allow more CER to be connected to the grid;
- the provision of innovative services to customers;
- the automatic detection of neutral faults in the wiring to the premises that can pose an electric shock risk to customers; and
- decarbonisation, through better integration of CER and demand shifting to periods of high renewable energy generation.

However, there are currently a range of barriers to the efficient deployment of smart meters that result in many customers missing out on these benefits.

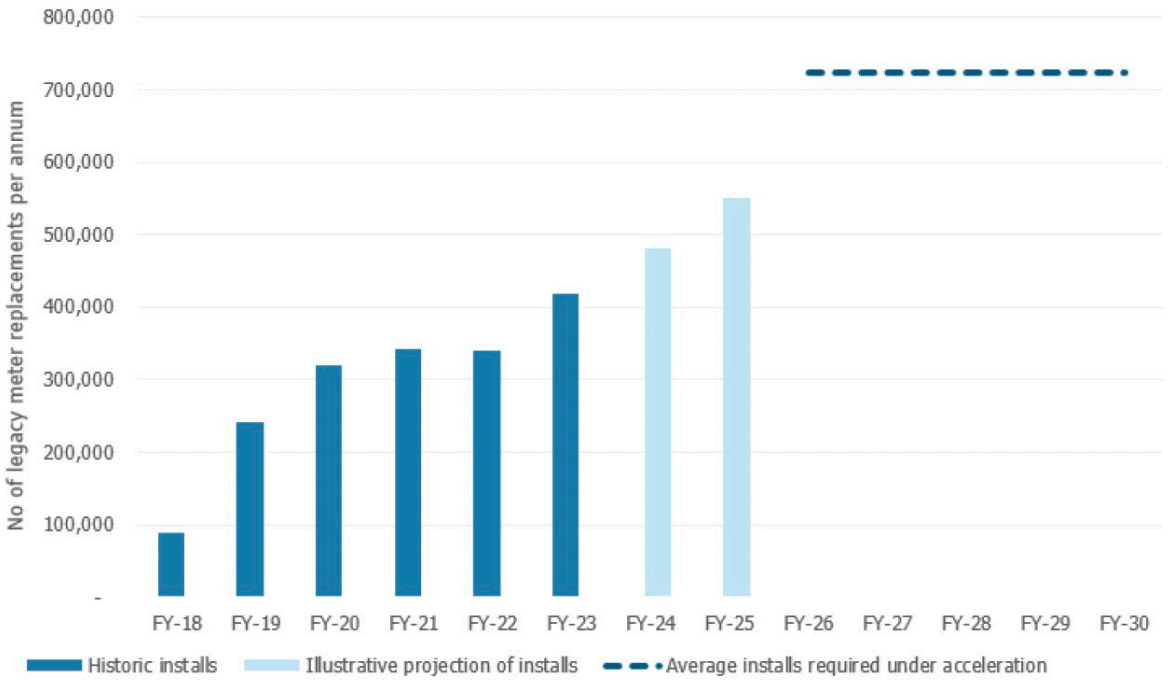
The key issues under the current regulatory arrangements in the NER and NERR are summarised below and are explained in more detail in the AEMC's final report.

1.1 Slow deployment of smart meters

The rollout of smart meters has been much slower than expected by the AEMC and many industry participants when the AEMC made the current rules in 2015. There are also a range of barriers that are making the smart meter installation process more difficult and expensive than it needs to be, which is contributing to the slow rollout.

When the AEMC started its metering review in late 2020, only about 18% of small customers outside of Victoria had a smart meter. This pace has accelerated in the past year as the industry has gained confidence from the AEMC's draft report that supported 100% deployment by 2030 and industry has started to prepare for an accelerated rollout. Tasmania is also on track to a 100% deployment by 2025. However, current volumes in all other jurisdictions are still well below the levels required to achieve 100% penetration by 2030. Without changes to the rules, many customers are unlikely to receive a smart meter until the late 2030s or later.

Installation volumes in recent years and the level of installations required to achieve universal deployment by 2030 are shown in the following figure from the AEMC's final report, which is based on AEMO data. The AEMC illustrative projection of installs in this figure assumes the rate of increase from FY-22 to FY-23 is maintained in FY-24 and FY-25, but that is highly unlikely to occur unless the momentum created by the AEMC's metering review is continued through a rule change process.



1.2 Limited information to support customers in the transition to smart meters

Smart meters will provide new services and data that can deliver significant benefits to consumers. However, many consumers currently do not understand the benefits smart meters can provide or understand the smart meter installation process.

Under an accelerated rollout, additional consumer safeguards and information requirements will be required to build and maintain social licence. Without social licence, the smart meter acceleration program is less likely to realise the full potential of the benefits to consumers. For example, customers may increasingly refuse access to their properties, incorrectly associate smart meters with higher costs or be less willing to remediate their electricity boards when required.

During the metering review, the AEMC and stakeholders identified several issues that arise from the current metering arrangements that impact customers' experience in smart meter deployments. The key issues identified include a lack of upfront information available to

customers, delays in replacing malfunctioning metering installations, an inability to request an upgrade for any reason and changes in customer tariffs triggered by metering upgrades.

Some of the existing rules are unclear, which can lead to inefficient outcomes. For example:

- retailers currently do not charge customers any upfront changes for replacement meters, but there is no regulatory prohibition on such charges, which has led to concerns from some stakeholders that such charges could occur in the future under an accelerated rollout unless the rules are amended;
- the requirements for advising customers of changes to tariffs resulting from installation of a smart meter are a concern for some stakeholders and may not give customers sufficient notice of changes;
- it is currently unclear whether retailers are required to install a smart meter upon request and some retailers currently refuse to do so; and
- the timeframes and requirements for replacing meters that are subject to a 'family failure' are unclear, with AEMO granting exemptions from the standard timeframes for large numbers of meters with limited transparency.

1.3 Barriers and unnecessary costs in the metering installation processes

Stakeholder feedback during the metering review identified several barriers and unnecessary costs that were impacting the current smart meter installation process. These issues have delayed the deployment of smart meters and increased costs for retailers and metering providers, which has led to poorer outcomes for customers.

Key challenges under the current rules include:

- **Unnecessary notice requirements are increasing costs:** Retailers must currently give customers two notices at set timeframes containing prescribed information. Requiring two notices instead of one unnecessarily increases costs and reduces flexibility when scheduling installations.
- **Opt-out arrangements create confusion and mean some customers miss out on benefits:** The current rules enable customers to opt-out of a new meter deployment under standard retail contracts. This opt-out does not apply to most customers who are on market retail contracts, resulting in confusing and inefficient requirements and customer outcomes. The opt-out rules could lead to customers indirectly incurring metering costs without access to the benefits. The also create barriers for meter installations in multi- occupation sites where all meters need to be upgraded in a coordinated manner.
- **Significant challenges installing smart meters in multi-occupancy scenarios:** It is currently very complex and costly to install smart meters in scenarios where meters for customers on a shared fuse need to be replaced. These sites, typically found in multi-occupancy dwellings, pose a barrier to rolling out smart meters in certain areas and usually result in a negative customer experience. Changes to the rules are needed to better coordinate this process and improve outcomes for these customers.
- **Remediation of customer-site defects is a major issue for some customers:** Site defects currently present a significant barrier to the successful installation of smart meters. Major site defects are currently encountered in approximately 10 per cent of sites, and minor defects are more common. Common examples include unsafe wiring, asbestos in the meter panel or the need to replace a fuse to comply with current jurisdictional safety rules. In most jurisdictions, customers are responsible for undertaking this remediation. Metering

parties and retailers cannot require customers to undertake remediation and cannot undertake remedial work without the customer's consent. As the cost of remediation typically falls on the customer, this can disproportionately affect access to smart meters for financially disadvantaged customers. There is currently no regulated process for recording these defects or engaging with the customer to try to get the customer to remedy the defects.

1.4 Difficulties in accessing power quality data

Information about customers' electrical power supply will be increasingly crucial for the future distribution system's operation. Access to power quality data (PQD) would enable DNSP to improve their understanding of the network, paving the way for DNSPs to deliver several beneficial outcomes including saving energy by reducing average voltage levels, reducing safety risks, maximising CER hosting capacity and driving down costs within the distribution network by extracting the most value from the existing distribution network assets and optimising future investment decisions.

The current rules do not contain a framework for metering coordinators to share PQD with distributors. Some metering coordinators and DNSPs have reached commercial agreements for sharing PQD, but this has been limited to small scale trials and pilots.

There are currently several barriers to DNSPs accessing PQD at a larger scale, including:

- high transaction costs due to an absence of standardised data formats and exchange mechanisms;
- high transaction costs to negotiate prices and commercial terms for the provision of PQD between each DNSP and metering coordinator;
- a lack of certainty for DNSPs on their ability to recover the costs of accessing PQD; and
- contractual requirements on metering coordinators that mean they usually require retailer consent to provide data to other parties.

1.5 Unclear meter testing and inspection requirements impose unnecessary costs

The testing and inspection of metering installations plays a critical role in supporting the accuracy and reliability of information used to bill customers, settle markets and operate the system.

There are two aspects of the current rules that risk imposing unnecessary costs under an accelerated smart meter deployment.

The current rules will require all legacy type 5 and 6 meters to continue to be regularly tested and inspected despite the fact that under the proposed accelerated deployment those meters will be scheduled to be replaced within 5 years. The benefits of this regular testing and inspection are unlikely to outweigh the costs given the imminent replacement of these meters. Removing this requirement during the 5 year acceleration period would result in cost savings for DNSPs that would reduce the cost of the accelerated rollout program.

The current rules for inspecting smart meters are also very unclear and have been interpreted differently by metering businesses and AEMO. The current requirements could result in smart meters being required to be inspected far more frequently than necessary, even though they have remote monitoring capabilities that could reduce the need for physical inspections. This could significantly increase costs and slow down the accelerated deployment by diverting staff from installations to inspections.

2. Description of the proposed rules and how they address the issues

This section summarises the proposed rules and how they will address each the above issues. Drafting instructions for the proposed rules are set out in Appendix A.

2.1 Accelerated deployment of smart meters

Based on the recommendations of the AEMC's final report, we propose amending the NER to implement a new mechanism to accelerate the deployment of smart meters. This will enable all consumers to benefit from the improved services and data smart meters can provide and address the current slow pace of the smart meter rollout in most states and territories.

We propose that the rules should be amended to:

- set a clear target in the NER for the universal deployment of smart meters by 2030; and
- create a fit-for-purpose process to establish a pathway for replacing meters over the 2025–2030 acceleration period for each NEM region (other than Victoria).[4]

To achieve this goal of universal deployment by 2030, the rules should create a new requirement for DNSPs to progressively retire the legacy meter fleet in the NEM over the period 2025 to 2030, and for retailers to replace meters within 12 months of when the meter was identified for replacement.

The proposed framework is designed to:

- create certainty, through strong obligations on industry to accelerate the installation of smart meters;
- minimise the regulatory burden of this process on the AER and industry; and
- provide sufficient flexibility for different approaches to be adopted in each network area – balancing, for example, the achievement of geographical economies and the management of workforce constraints.

The proposed framework is summarised in the following figure from the AEMC's final report.

[4] We note that Tasmania is on track to complete an accelerated smart meter rollout by 2026. As a result, the proposed accelerated deployment rules are unlikely to have a material impact in Tasmania. The AEMC's final report did not propose excluding Tasmania from the application of the accelerated deployment rules. We have taken the same approach in this rule change request on the basis that it may be difficult to include a jurisdictional derogation from some of the rules for Tasmania.

DNSPs would be required to develop legacy meter retirement plans (LMRPs) that schedule clusters of legacy meters to be retired and replaced each year of the five-year acceleration period (such as by postcode). DNSPs would be required to develop these LMRP schedules in consultation with key stakeholders including retailers and metering coordinators. DNSPs would be required to apply an objective and principles set out in the NER and consult with stakeholders to determine a deployment program pathway that broadly promotes the long-term interests of consumers.

The AER would be required to confirm that DNSPs have met the minimum content requirements in the LMRP proposals, undertaken adequate consultation, and properly considered the objective and principles before approving the LMRPs. The AER would have until 31 March 2025 to make its determinations so DNSPs can begin retiring the first tranche of legacy meters by 1 July 2025.

Retailers would have discretion on how and when they replace the meters each year of the acceleration program. Retailers would be required to report on their annual performance and provide reasons for any divergence from their LMRP schedule to the AER, including explaining how they intend to get back on track if they are not compliant. We recommend that civil penalties apply to the final 2030 target. The AER's performance reporting would provide commentary on how the retailers are tracking from year-to-year, and provide a mechanism for regulatory oversight of the acceleration program.

Retailers would have the ability to seek amendments to their relevant LMRP schedules if a LMRP is affected by a material error, change in circumstances or event. For example, a revision may be required when an 'event' occurs that was not anticipated, or that is beyond the reasonable control

of the DNSP or retailer, that may negatively impact the retailer's ability to meet the LMRP schedule and associated interim targets. A high materiality threshold would apply to trigger this LMRP revision process.

2.2 Supporting customers in the transition to smart meters

We propose amending the NER and NERR to improve the information provided to customers and the consumer protections that apply when customers receive a new smart meter.

We agree with the recommendations in the AEMC's final report that these rule changes should be accompanied by other actions by governments to support customers, including development of a broader communication strategy and a smart meter information website.

The rules should be amended to contain the following measures to safeguard customers and provide improved information to consumers:

- prohibiting retailers from charging upfront costs for meter replacements under the acceleration deployment program (i.e. meters that are replaced in accordance with a LRMP), noting that retailers currently do not charge for meter replacements but this rule change would codify current practice;
- requiring retailers to provide customers 30 business days' notice when transitioning to a different pricing structure, rather than the current requirement of 5 business days' notice;
- providing customers with additional information on how to understand and monitor their usage and manage change, including allowing the customer to request an estimate of what their historical bill would have been under the varied tariff (if smart meter data is available to enable such an estimate);
- requiring retailers to provide customers an information notice outlining the key information they need in plain language;
- clarifying that retailers are required to install a smart meter upon customer request; and
- amending the timeframe requirements for the replacement of individual and 'family' failures in order to support timely and efficient deployments. A 15 business day timeline should be provided for individual failures, while a default timeline of 70 business days coupled with a more clearly defined exemptions process would help support a more timely and orderly replacement of meters that are subject to family failures.[5]

2.3 Improving metering installation processes

We propose amendments to the NER and NERR to reduce barriers to installing smart meters and to enable their efficient and coordinated deployment. The proposed amendments are:

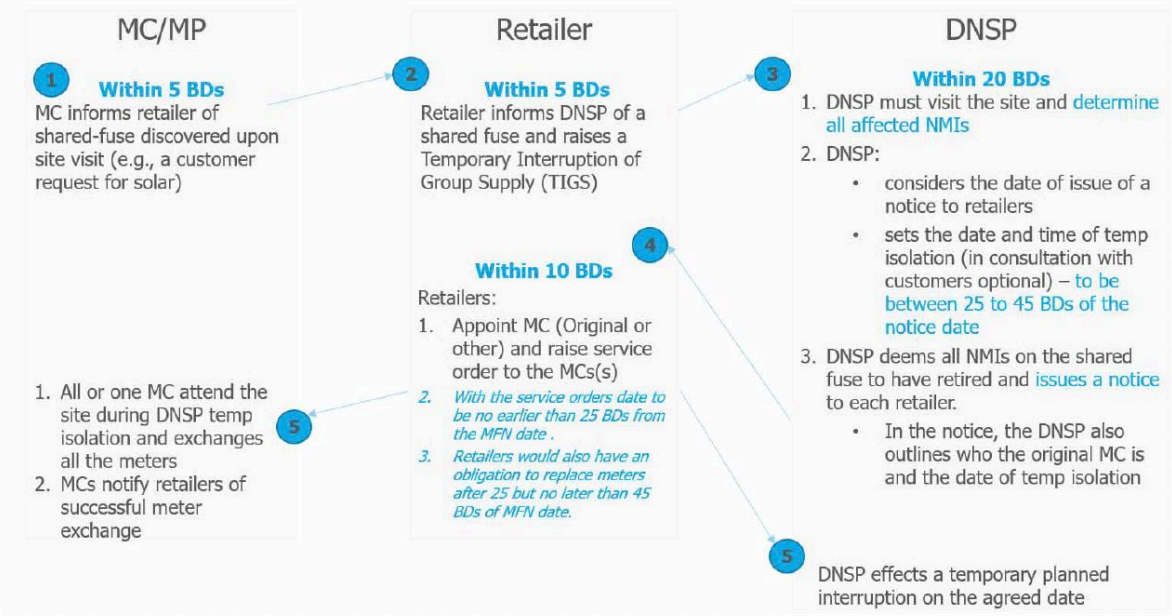
- **Reducing the number of customer notices for new meter deployments to reduce confusion:** The number of notices a retailer must provide to a small customer when undertaking new meter deployments would be reduced from two notices to one notice. This would reduce administrative burden and costs and enable greater flexibility in planning and deployments.
- **Consistent policy setting on opt-out:** The provisions in the NERR enabling customers to opt-out of a new meter deployment under standard retail contracts would be removed. Retailers

[5] The AEMC should consider whether a transitional provision is required to clarify how the new rules would apply to existing type 5 and 6 meters that were part of family failure prior to 1 July 2025 but have not yet been replaced as at that date. It may be preferable for these meters to be included in the LRMP process and replaced as part of the first year's targets under the LRMP rather than continue to be managed under the family failure process.

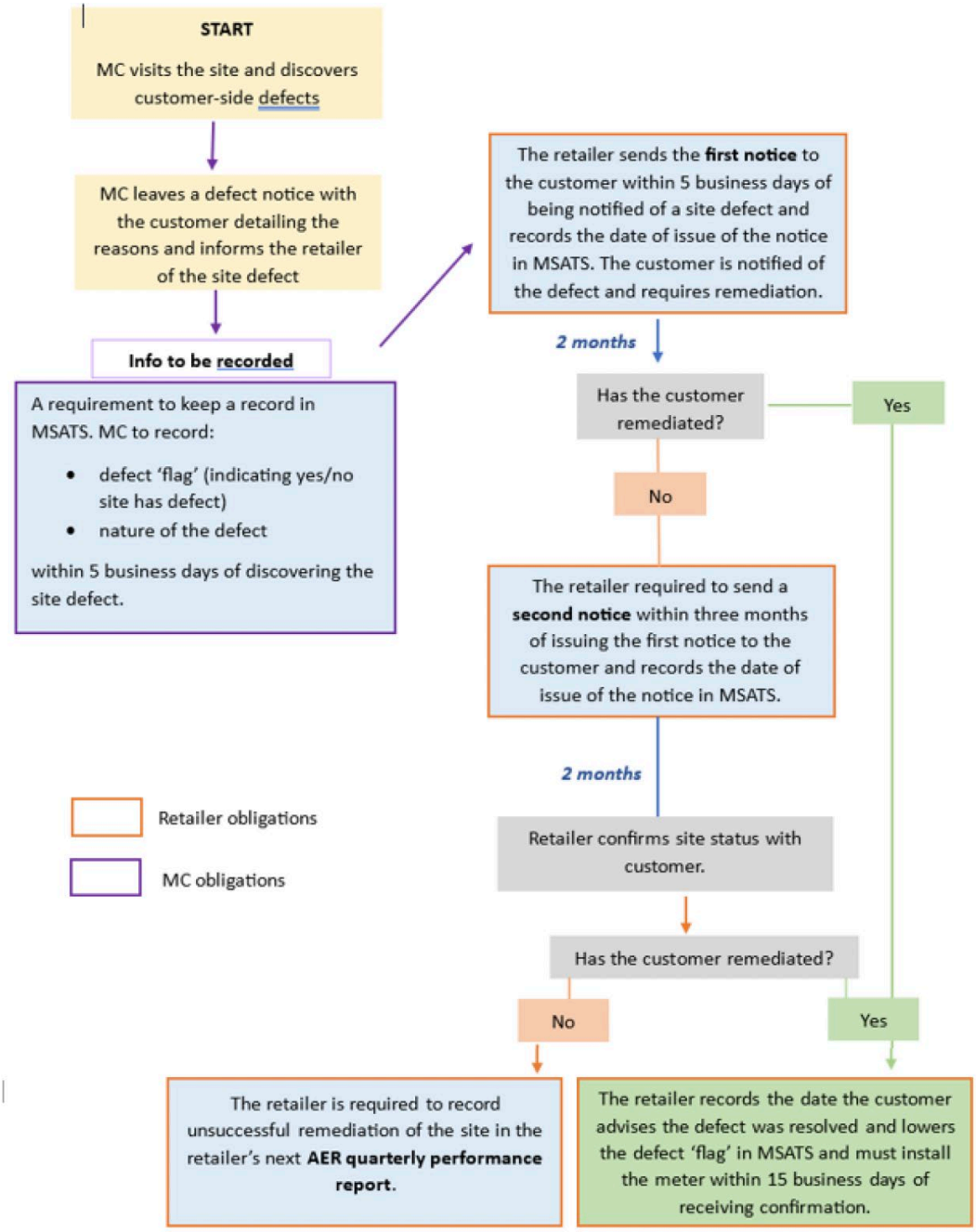
would continue to have the option to install a type 4A meter which has remote communications capability disabled where this is appropriate to manage customer concerns.

- **Supporting better coordination for multi-occupancy scenarios:** A new 'one-in-all-in' approach would apply to meter replacements to improve meter replacement efficiency and customer experience in scenarios where meters for customers on a shared fuse need to be replaced. These sites, typically found in multi-occupancy dwellings, pose a barrier to rolling out smart meters in certain areas and usually result in a negative customer experience. Under the 'one-in-all- in' approach, MCs will replace the legacy meters for all customers on a shared fuse simultaneously under a coordinated approach. This will make it easier to undertake meter replacements and improve customer experience on a shared fuse.
- **Processes to support timely remediation of customer-site defects:** A new customer notification and record-keeping process would apply in circumstances where metering coordinators encounter customer-site defects preventing upgrades. This process will encourage more customers to remediate site defects and provide greater transparency for installers. We agree with the AEMC's final report recommendations that the rules cannot address all of the issues customers may experience in relation to site remediation and should be supplemented by additional actions by governments, including financial support for vulnerable customers.

The proposed one-in-all-in process for multi-occupancy scenarios is summarised in the following diagram from the AEMC's final report.



The proposed process for site remediation is summarised in the following diagram from the AEMC's final report.



2.4 Unlocking the benefits of power quality data

Data and services provided by smart meters are expected to play a crucial role in helping the electricity system become more intelligent, responsive, efficient and customer centric.

We propose amendments to the NER to implement a new process for DNSPs to get efficient access to power-quality data (PQD) from smart meters. Providing DNSPs regulated access to basic PQD will support efficiency and certainty of access to data that is crucial for several uses, such as:

- **Improving customer safety outcomes**: by enabling DNSPs to detect neutral integrity faults and voltage excursions at the customer premises earlier, so they can be addressed before they pose safety risks to customers.
- **Supporting CER integration**: by enabling greater visibility of the Low Voltage network. This will support initiatives such as Dynamic Operating Envelopes to allow more customer CER to connect and export without unnecessary constraints or investments.

We propose amending the rules to implement a Basic PQD access framework that provides DNSPs access to a defined Basic PQD service at no direct cost. This access framework will outline the inclusions of basic PQD, corresponding obligations on relevant parties to provide basic PQD and the method and service levels for exchanging the data. Changes to the NER would be supported by changes to AEMO procedures and B2B procedures to implement this new framework and enable efficient exchange of the data.

Other services provided by smart meters, such as more advanced PQD and on-demand services, can be procured by the service users from the metering parties through commercial negotiations and would not be regulated by the rules.

2.5 Improvements to meter testing and inspection requirements

The requirements for undertaking tests and inspections of meter installations need to be clarified and improved to avoid unnecessary costs of tests and inspections that do not provide net benefits.

To support the efficient inspections of smart meters, we propose amending the NER to clarify that metering coordinators need to outline their meter inspection practices in a metering asset management strategy for AEMO assessment and approval. We also recommend that AEMO develops a guideline for assessing and approving metering asset management strategies, following principles and objectives set out in the rules.

As part of the implementation of the accelerated deployment program, we also propose amending the NER to exempt legacy meters from regular testing and inspection requirements once the AER approves the legacy meter retirement plans. Removing regular testing and inspection for legacy meters would contribute to reducing the cost of the accelerated deployment as DNSPs would no longer need to test and monitor assets that would be replaced in a short period of time. It would also reduce the complexity of developing LMRPs.

3. How the proposed rules contribute to the achievement of the energy objectives

3.1 The relevant energy objectives

The AEMC may only make a change to the NER and NERR if it will or is likely to promote achievement of the national electricity objective (NEO) and the national energy retail objective (NERO).

The NEO is:

> *To promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to –*
>
> *(a) price, quality, safety, reliability and security of supply of electricity; and*
>
> *(b) the reliability, safety and security of the national electricity system; and*
>
> *(c) the achievement of targets set by a participating jurisdiction –*
>
> *(i) for reducing Australia's greenhouse gas emissions; or*
>
> *(ii) that are likely to contribute to reducing Australia's greenhouse gas emissions.*

The NERO is:

> *To promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of consumers of energy with respect to –*
>
> *(a) price, quality, safety, reliability and security of supply of energy; and*
>
> *(b) the achievement of targets set by a participating jurisdiction –*
>
> *(i) for reducing Australia's greenhouse gas emissions; or*
>
> *(ii) that are likely to contribute to reducing Australia's greenhouse gas emissions.*

The NEO and NERO as set out above include the amendments to add an emissions reduction component under the *Statutes Amendment (National Energy Laws) (Emissions Reduction Objectives) Act 2023* (SA), which commenced on 21 September 2023.

For a change to the NERR, the AEMC must also satisfy itself that the rule is compatible with the development and application of consumer protections for small customers, including (but not limited to) protections relating to hardship customers.

3.2 The proposed rules contribute to the achievement of the energy objectives

The proponents consider that the proposed rules will contribute to the achievement of the NEO and the NERO and satisfy the consumer protections test for the following reasons:

- **Improving customer outcomes**: Smart meters are crucial to modernise the energy system, accommodating future technologies and innovation. The proposed rules were informed by consumer preferences and aim to improve customer outcomes by encouraging universal smart meter adoption by 2030 and introducing a new regulatory process for deployment. Accelerated deployment benefits all consumers by providing earlier access to the benefits smart meters can provide consumers and the broader energy system. The proposed safeguards protect against upfront charges and unforeseen tariff adjustments. Proposed enhancements in the customer experience involve the provision of essential information before smart meter upgrades, grant customers the ability to request a smart meter, and refine the timing for replacing malfunctioning meters.
- **Supporting market efficiency**: Accelerated deployment of smart meters promotes economies of scale and efficiency gains, which may lower meter installation costs. The proposed

supporting measures reduce barriers, regulatory burden, and information asymmetry between consumers and market participants. The cost-benefit analysis undertaken by Oakley Greenwood for the AEMC's final report shows that full deployment by 2030 leads to economic gain for consumers. The proposed LMRP mechanism ensures an efficient rollout strategy. Further proposed supporting measures seek to minimise transaction costs, enhancing market efficiency.

- **Promoting innovation and flexibility**: The proposed rules foster innovation by accelerating the deployment of smart meters, which in turn provides the data necessary for customers to make informed choices, and for retailers to use in developing and offering innovative products. A faster rollout also allows DNSPs to better manage their networks through innovative methods. Increased visibility of power quality data allows DNSPs to explore methods for getting more out of their existing assets, minimising new expenditure and increasing CER hosting capacity.
- **Supporting the achievement of emissions reduction targets**: Smart meters make an important contribution to energy system decarbonisation and the achievement of emissions reduction targets set by participating jurisdictions. Smart meters facilitate shifting demand to periods of excess renewable generation, allowing consumers to take advantage of low energy prices through products such as solar soaker tariffs. Smart meters are expected to play a pivotal role in supporting the efficient integration of increasing levels of CER by providing data that helps DNSPs to maximise hosting capacity of rooftop solar PV and minimise augmentation expenditure requirements for electric vehicles and helps consumers to optimise battery and appliance operation. The operation of the NEM is likely to become more complex and challenging with higher penetration of variable renewable energy. Smart meter data is necessary for an orderly transition to net zero because it empowers consumers, network operators, market participants and service providers.
- **Addressing key implementation risks**: The proposes rules are based on the AEMC's final report, which was developed after almost 3 years of extensive consultation. This broad consultation will minimise implementation risks associated with the rule change. The proponents consider that universal smart meter deployment by 2030 is achievable and best balances the benefits and costs of acceleration. We consider that the cost impacts of an accelerated deployment are likely to be relatively modest. Costs will also be reduced by several of our proposed rule changes that seek to reduce practical barriers and transaction costs to installing smart meters and accessing the services they can provide. We have considered the appropriate implementation dates for the changes and in Appendix B we propose a staged implementation between mid-2024 and 1 July 2025 that we consider will maximise the benefits of the changes while minimising implementation risks.
- **Promoting safety, security and reliability of the electricity system**: Smart meters contribute to the safety and security of the distribution system by providing better data accessibility and enabling faster responses to outages or safety issues. Our proposed rules support these improvements by deploying enabling technology faster. Upgrading the small customer meter fleet will allow retailers to provide more efficient, accurate, and reliable metering services with increased functionality. Measures such as addressing site defects, improving access to power quality data, and ensuring appropriate replacement timeframes for shared fusing sites and malfunctioning meters contribute to maintaining a safe, secure, and reliable distribution system — contributing to overall system stability, and enhancing consumer confidence and system resilience.

4. Expected costs, benefits and impacts of the proposed rules

4.1 Expected benefits

The proposed rules are expected to have significant benefits for consumers, retailers, network businesses, metering businesses and the broader energy system. Key benefits are discussed in section 3.2 above.

The AEMC commissioned a cost-benefit analysis from Oakley Greenwood that was attached to the AEMC's final report. That analysis found that an accelerated deployment of smart meters targeting universal uptake by 2030 had material economic benefits compared with the current rules.

Oakley Greenwood found that the overall benefits of an accelerated deployment are greater than the costs (in NPV terms, $2022) for New South Wales and the Australian Capital Territory ($256 million), Queensland ($197 million) and South Australia ($53.7 million). The net positive result holds even if only a limited set of highly achievable 'non-contingent benefits' is included, although the size of the net benefit is reduced in this case.

These non-contingent benefits that were included by Oakey Greenwood are those derived from:

- reduced costs for routine meter readings and special reads;
- the reduction in meter installation costs due to the scale economies of undertaking the deployment geographically;
- the ability to de-energise and re-energise the premise remotely (though this feature may not be possible in all jurisdictions).

The proponents consider that this cost-benefit assessment was highly conservative as it does not include a wide range of additional benefits from the advanced services and data that will be enabled by a higher uptake of smart meters.

Additional benefits of the proposed rules to specific parties include:

- **Consumers** will benefit from reduced electricity costs and access to new and improved services enabled by smart meters, including more efficient integration of CER, improved access to data to make informed usage decisions and access to new pricing offers. Greater uptake of smart meters will also improve reliability, security and safety. The proposed rules will also improve consumer protections and improve the meter installation experience for customers.
- **Network businesses** will benefit from improved visibility of power quality data and other services and data smart meters can provide, which will improve network efficiency and safety and reduce costs compared with other alternative investment options.
- **Retailers** will benefit from reduced barriers and costs when deploying smart meters, including removing inefficient and duplicative notice and opt-out requirements.
- **Metering businesses** will benefit from improved meter installation processes that will enable a faster and more efficient deployment of smart meters. They will also benefit from increased clarity on their regulatory obligations in areas such as meter inspections and testing and the provision of metering data.

4.2 Expected costs and other impacts

The proposed rules will impose some implementation costs, but these costs are expected to be significantly lower than the benefits.

Material implementation costs and other material impacts are expected to include:

- **The AER** will incur additional costs to review and approve LRMPs and undertake compliance and enforcement actions related to the proposed rules.
- **AEMO** will incur additional costs to develop and consult on changes to its procedures to cover power quality data and the development of a new guideline on meter inspection requirements and may incur costs related to other proposed rules.
- **Retailers** will incur additional costs to comply with the proposed rules, particularly some of the proposed changes to information that must be provided to customers. However, these costs will be partly offset by reductions in costs arising from other proposed changes to notice requirements.
- **DNSPs** will incur costs to develop and consult on LRMPs and to support the accelerated rollout.
- **Metering businesses and DNSPs** will incur costs related to implementation of the proposed power quality data arrangements.
- **Metering businesses** will also incur a range of other costs to comply with the proposed rules and undertake the accelerated deployment. Some of these costs may be passed through to retailers under contractual arrangements between metering businesses and retailers.
- **Retailers and metering businesses** may be required to negotiate amendments to their contractual arrangements to reflect the proposed rules.
- Some of these additional costs may be passed on to **consumers**, for example under AER DNSP revenue determinations or Default Market Offer determinations or under market retail contracts. This may result in some short-term costs to consumers, but these costs are expected to be offset by the benefits outlined above so that the proposed rules benefit consumers in the long term as demonstrated by the Oakley Greenwood cost benefit modelling.

5. Proposed fast-track rule change process based on prior AEMC consultation

Section 96A of the NEL and section 253 of the NERL enable the AEMC to undertake a 'fast track' rule change process where there has been previous public consultation.

A standard AEMC rule change process involves at least two rounds of consultation: an initial period of consultation on the rule change request and an AEMC consultation paper, and then a second round of consultation on the AEMC's draft determination and draft rule. A fast-track rule change does not require the initial round of consultation and moves straight to a draft determination with a single round of consultation.

The NEL and NERL provide that the AEMC may adopt a fast-track process in a range of circumstances, including where:

- a person has made a request for the making of a rule on the basis of a recommendation for the making of a rule contained in an AEMC Rule review;

- the request reflects, or is consistent with, the relevant recommendations contained in AEMC Rule review; and
- there was adequate consultation with the public by the AEMC on the content of the relevant recommendations during the AEMC Rule review.

The proponents consider that each of these requirements is met due to the extensive consultation undertaken by the AEMC during the metering review and that this rule change is an ideal candidate for a fast-track rule change process.

In particular:

- The proponents are making this request on the basis of recommendations for the making of a rule by the AEMC in the metering review. The metering review was an AEMC Rule review for the purposes of section 96A (i.e., a review undertaken by the AEMC under section 45 of the NEL).
- All of the proposed rules are consistent with the recommendations contained in the AEMC's metering review. The proponents have not made any amendments to the relevant AEMC recommendations from the metering review, other than to remove the real time data recommendations from this rule change request on the basis that they will be deal with by a separate rule change process.
- The AEMC undertook extensive consultation with the public on the recommendations over a period of almost 3 years as part of the metering review. All of the recommendations from the metering review final report that that are contained in this rule change request were extensively consulted on in the AEMC's draft report and through stakeholder reference groups. During the review the AEMC published and consulted on a consultation paper, directions paper and draft report. It received over 160 written submissions on these papers, plus held bilateral meetings with stakeholders. It also convened a stakeholder reference group that was open to the public and had over 50 members, holding 7 or more meetings of the full reference group and multiple additional meetings with several sub-groups on specific issues. There were very few material changes in the recommendations between the draft report and the final report, with the main changes or new recommendations in the final report relating to the real time data recommendations that are not included in this rule change request.

A summary of the prior public consultation undertaken by the AEMC is set out in Appendix B.

A fast-track rule change will avoid the need for an unnecessary initial round of consultation on the rule change request and allow the AEMC to move straight to developing its draft decision and consulting on the draft rules. This will reduce the burden on stakeholders who would otherwise need to prepare submissions on issues that they have already been extensively consulted on during the review. It will also reduce the burden on the AEMC of preparing a consultation paper and reviewing and responding to submissions and free up its resources to focus on developing the draft decision and draft rules.

A fast-track process is expected to speed up the rule change process by 2-3 months and promote the NEO and NERO by enabling earlier implementation of the reforms and reducing risks that the necessary implementation steps will not be completed by the proposed 1 July 2025 start date for the accelerated smart meter deployment.

Appendix A. Drafting instructions for the proposed rules

This appendix sets out drafting instructions (DIs) for the changes to the NER and NERR that are proposed in this rule change request.

It is based on Appendix I of the AEMC's metering review final report with the addition of a proposed commencement date column and minor wording changes so that it is suitable for a rule change request. There are no material changes to the drafting instructions contained in Appendix I of the final report.

DI no	Rule provision	Proposed rule changes	Proposed commencement
Proposed changes to the NER			
Setting a target and mechanism to accelerate the deployment of smart meters across the NEM			
1	New provisions	**Legacy meter retirement plan (LMRP)** Insert new provisions which set out the objectives, content and process for developing the LMRP. These provisions would include the following. 1. Objective of the LMRP The objective of a LMRP would be to require Retailers and Metering Coordinators to replace all existing type 5 and type 6 metering installations with a type 4 meter by 30 June 2030 in a timely, cost effective, fair, and safe way. 2. The LMRP DNSPs would be required to develop a LMRP for Retailers and metering parties to meet the above objective. The LMRP would include: 1. a schedule of NMIs to be replaced during the acceleration period and a plan of when each meter would be replaced – i.e., groupings of legacy metering installations to be retired and replaced each year of a five-year period (1 July 2025 to 30 June 2030); 2. any site information the relevant DNSP has for a NMI. For example, information regarding: • the location, age, type and make of the metering installation and the building type (residential or business); • issues that may hinder safe access; • the likely configuration of the meter board; • the presence of shared fusing or site remediation issues. 3. a summary: • explaining how the LMRP proposal is consistent with the LMRP objective and principles; and • describing how the DNSP has engaged with Retailers, metering parties and other relevant stakeholders in developing the proposed LMRP, the relevant concerns	Obligations on DNSPs to prepare and consult on an LRMP. commence on the day the final rule is made. DNSPs must submit LRMPs to the AER by 31 January 2025.[6] AER must approve LRMPs by 31 March 2025. LRMPs apply from 1 July 2025. Process for amendments to LRMPs applies from 1 July 2025.

[6] The AEMC's final report states in several places that the AER would have until 31 March 2025 to approve the LRMPs. However, it does not propose a date by which DNSPs must submit their LRMPs to the AER. We propose that DNSPs should be required to submit LRMPs to the AER by 31 January 2025 to enable the AER to meet this 31 March 2025 approval deadline.

DI no	Rule provision	Proposed rule changes	Proposed commencement
		identified as a result of that engagement, and how the DNSP has sought to address those concerns. 3. LMRP principles The order of retirement of legacy meter NMIs and their allocation to annual interim targets must take into account: 1. The annual interim targets for each financial year, which must be between approximately 15–25 per cent of the total number of meters to be replaced under the LMRP. 2. The overall efficiency of the acceleration program over the five- year period of the LMRP, including costs and cost savings for all relevant market participants. For example, in the interests of efficiency, legacy meters may be retired in geographic groupings, such as by postcode, zone substation or meter reading route. 3. The impacts on retailers and other related and affected parties. In particular, the ramping up and down of the deployment program must account for workforce planning and availability considerations for meter providers across the five-year period of the LMRP, including enabling efficient workforce planning for meter deployments in regional areas. 4. Consultation on the LMRP After the DNSP has developed a draft LMRP, and before submitting it to the AER for approval, the DNSP would be required to: 1. provide relevant Retailers with information about the sites at which a legacy meter would need to be replaced; 2. consult with the Retailers and other relevant and affected parties; 3. provide the relevant parties with a minimum period of time to review the draft LMRP and provide comments; and 4. address any comments or submissions received from the relevant parties before submitting the LMRP to the AER for approval (see below). 5. AER approval of the LMRP The relevant DNSPs must submit their LMRPs to the AER by 31 January 2025 for approval by 31 March 2025. The AER's assessment of the proposed LMRP would be limited to whether the relevant DNSP has reasonably followed the required process – for example, whether the DNSP has considered stakeholder input and taken into account the LMRP objective and principles. The AER would not be required to undertake any consultation when conducting this assessment. If a LMRP does not comply with the relevant requirements, the AER may notify the DNSP that it requires resubmission. The notice must be given as soon as practicable and must state why, and in what respects, the AER considers the LMRP to be non-compliant. A DNSP must, within 15 business days after receiving the notice, resubmit its LMRP in an amended form that complies with the relevant requirements set out in the notice. The AER may extend the timeframe for resubmission if it considers this necessary and appropriate in the circumstances. For example, if the AER considers that the LMRP is non-compliant because there has been insufficient	

DI no	Rule provision	Proposed rule changes	Proposed commencement
		consultation with the relevant parties, then the AER may agree to extend the 15 business day period to allow the DNSP time to properly consult on the LMRP prior to resubmission. 6. Amending an approved LMRP A Retailer may apply to the relevant DNSP to amend an approved LMRP if the LMRP is affected by either: • a material error (including a clerical mistake, miscalculation, misdescription, defect in form or is false or misleading information); or • a material change in circumstances or event. These materiality thresholds would apply to any LMRP amendments. Amendments will not be permitted unless one or both of these thresholds is satisfied: • the DNSP may amend a LMRP if it appears to the DNSP that the plan is affected by a material error, material change of circumstances or 'event'. Where a Retailer seeks an amendment to account for a material change in circumstances or event, the Retailer's application to the DNSP should demonstrate: an event that is beyond the reasonable control of the DNSP and/or Retailer has occurred, and the occurrence of that event could not reasonably have been foreseen by the DNSP and/or Retailer at the time of the development of the LMRP; and • a failure to adjust the LMRP schedule to reflect the consequences of the event would be likely to materially adversely affect the ability of the relevant retailer to comply with its obligations to meet the interim targets. Where one or both of the materiality thresholds are met, the DNSP may amend the LMRP, and if it chooses to do so, may either accept the amendments proposed by the Retailer or may propose its own amendments to address the material error or material change in circumstances or event. In either case, the DNSP must undertake consultation regarding any proposed amendments, and must demonstrate that the proposed amendments are consistent with the LMRP objective and principles described above. Following such consultation, the amended LMRP would be required to be approved by the AER, consistent with the approach for new LMRPs. The AER would be required to make its decision on whether to approve the amended LMRP within 20 business days. If approved, the AER must then re-publish the LMRP and notify stakeholders.	
2	New provisions	**Complying with the LMRP** Where a legacy meter has been scheduled for replacement in a LMRP, the Retailer must: • use best endeavours to ensure it is replaced in accordance with the LMRP schedule; and • meet the final target of universal penetration of smart metering installations by 2030 (subject to the Retailer being able to justify any failure to meet the target, based on a reasonable assessment of the circumstances). A civil penalty should apply to non-compliance with the 2030 target.	1 July 2025

DI no	Rule provision	Proposed rule changes	Proposed commencement
		1. Exceptions to the LMRP Exceptions to complying in the LMRP would not be specified in the NER. If a Retailer was unable to replace a meter in accordance with the LMRP, it would be responsible for reporting to the AER the reason for this and it would be left to the AER to determine if this was justifiable, based on a reasonable assessment of the circumstances. 2. Small customer switching Where a small customer has switched during the acceleration period, the new retailer must arrange for the meter to be replaced before 30 June 2030 or six months after the small customer switches retailer, whichever is later. 3. Reporting on compliance with the LMRP Retailers would be required to include in their retail market performance report their performance against the LMRP for each preceding year of the LMRP, including: 1. the total number of meters installed and percentage of the interim target achieved; 2. the total number of sites with issues preventing installation, including where installations were unable to be carried out; 3. the total number of meters installed that were not functioning as required by the end of the interim period; 4. in the interim period, the total number of sites gained within from customers transferring from another Retailer and the percentage of those metering installations replaced, and the total number of sites lost to other Retailers from customers transferring to another retailer; 5. the total sites to be visited in upcoming interim periods; and 6. an explanation of their performance against the interim and final targets, and an outline of the Retailer's plan to get back into compliance (if necessary).	
3	New provision	Insert a new provision that prohibits Retailers from charging small customers any upfront costs or exit fees that relate to replacing a type 5 or 6 metering installation that is identified in a LMRP. This prohibition would not apply to metering installations at new connections or where the meter replacement has resulted from the small customer installing equipment at the site, for example, solar panels or a battery.	1 July 2025

DI no	Rule provision	Proposed rule changes	Proposed commencement
Reducing barriers to make deploying smart meters easier			
4	New provision	Retailers be required to record in MSATS the date of the notice(s) sent to a small customer as provided in drafting instruction number 22.	AEMO to make amendments to procedures by 6 months after the final rule is made.[7] Provisions commence 1 July 2025.
5	New provision	Metering Coordinators be required to record in MSATS details of any site defect identified during a site visit or meter installation attempt within 5 business days of discovering the site defect. The MC must record: • if there is a site defect; • the nature of the defect.	AEMO to make amendments to procedures by 6 months after the final rule is made. Provisions commence 1 July 2025.
6	New provision	**One-in-all-in meter installation process** A new process would be inserted into the NER as follows: 1. Where a Metering Coordinator (**Original MC**) has become aware that replacing a metering installation requires interrupting supply to another small customer or large customer, the Original MC must notify the relevant Retailer within 5 business days of becoming aware of the shared fusing. 2. Within 5 business days of being notified by the Original MC, the Retailer must inform the relevant DNSP of the shared fusing. 3. Within 20 business days of being notified by the Retailer, the DNSP must visit the site and determine all NMIs affected by the shared fusing. Once the DNSP has identified the affected NMIs, it must issue a notice to each relevant Retailer, which must include the name of the Original MC and the date on which the outage will take place when all affected meters must be replaced. This date must be between 25 and 45 business days after the notice has been issued by the DNSP to the affected Retailers. 4. Within 10 business days of receiving a notification from the DNSP, the Retailers will be required to appoint an MC (the	AEMO to make amendments to procedures by 6 months after the final rule is made. Provisions commence 1 July 2025.

[7] Several of the proposed changes will require changes to AEMO procedures or the B2B Procedures made by the Information Exchange Committee (IEC). The commencement date for the proposed rules will need to allow sufficient time for AEMO and the IEC to develop and consult on these procedure changes. We have proposed that rules changes that rely on procedure changes should commence on 1 July 2025 to simplify implementation and allow all of the related systems and process changes to commence on the same date. However, we expect that at least 6 months will be required for the procedure change process and then participants will require at least another 6 months after the procedures are made to implement and test IT systems and process changes. This may mean that commencement of some of these changes may need to be delayed until after 1 July 2025 if the final rule is not made by 1 July 2024. Any delay to the commencement of these provisions should not delay the commencement of the LRMP provisions, which should commence on 1 July 2025 as that is the start of a new financial/regulatory year.

DI no	Rule provision	Proposed rule changes	Proposed commencement
		Original MC or one of their choosing) and raise a service order for metering installation replacement(s). The date for the service order request must align with the date for the supply outage specified in the DNSP's notification (which will be at least 25 business days from the date the notification was received). 5. The DNSP and relevant parties will then be required to attend the site on that date and time specified to replace all affected meters. As indicated above, this must occur between 25 and 45 business days after the noticed referred to at paragraph 3 above is issued. Sites subject to the one-in-all-in meter installation process would be subject to the timeframes above and would be exempt from the timeframes identified in the LMRP (to the extent the relevant metering installations are identified in the LMRP).	
Improving the customer experience when they get a smart meter			
7	7.8.10	Create two categories of malfunctions for a metering installation at a small customer's premises: 1. Individually identified malfunctions. The Metering Coordinator must repair or replace meters that have been individually identified as malfunctioning as soon as practicable but no later than 15 business days from when it has been notified. Where the MC has become aware that repairing the meter requires interrupting supply to another customer, then the timeframe is 30 business days after the Metering Coordinator has become aware of the need for that interruption, unless the site is subject to the one-in-all-in meter installation process outlined in drafting instruction number 6, in which case that framework will apply instead of this clause. This category would cover situations such as: • A meter reader reporting that a meter has been physically damaged, or the display could no longer be read. • A metering technician investigating an issue raised by the consumer, retailer (or any party) discovers that components of a smart meter, such as the communication module, need to be replaced. 2. Malfunctions identified through statistical testing (family failures). The Metering Coordinator must repair or replace meters that have been deemed to be malfunctioning through sample testing as soon as practicable but no later than 70 business days from when the Metering Coordinator has been notified, unless a site is subject to the multi-occupancy scenario outlined in drafting instruction number 6, in which case that framework will apply to that site instead of this clause. Metering Coordinators would be able to seek an exemption from AEMO (as outlined in drafting instruction number 8) from complying with these timeframes.	The day the final rule is made

DI no	Rule provision	Proposed rule changes	Proposed commencement
8	7.8.10	Amend the exemption process for Metering Coordinators as follows: • For individual meter malfunctions, the Metering Coordinator must use best endeavours to apply to AEMO for an exemption to the timeframes specified in clause 7.8.10 before the expiry of those timeframes. At the time of applying for an exemption, the Metering Coordinator must submit to AEMO a plan for how it proposes to address the reasons for being unable to install the meter. • For family failure of meters, the Metering Coordinator must apply for an exemption to the timeframes specified in clause 7.8.10 before the expiry of those timeframes. At the time of applying for an exemption, the Metering Coordinator must submit to AEMO a plan for how it proposes to address the reasons for being unable to install the meters. In assessing the exemption, AEMO must consider: • the size of the family failure; • the nature of the malfunction; and • any previous exemptions that AEMO has granted.	The day the final rule is made
Introduction of arrangements for better access to power quality data			
9	7.3.1	Clause 7.3.1(a)(2) be amended to include the collection, processing, and delivery of Power Quality Data by Metering Coordinators, in addition to their existing obligations in relation to metering data. To facilitate this, Chapter 7 of the NER will be amended to include a definition of Power Quality Data (as described below at row 13), and consequential amendments will be made to Chapter 7 to capture Power Quality Data.	Same commencement date as drafting instruction 12, i.e., 1 July 2025
10	7.15.5	Amend cl 7.15.5(e) to allow all Metering Coordinators (not limited to Metering Coordinators currently or previously appointed in respect of the relevant metering installation, and in addition to retailers) to access and receive NMI Standing Data.	The day the final rule is made
11	New provision	Metering Coordinators would be exempted from the requirements for collection, processing, retention and the delivery of Power Quality Data (as set out in drafting instruction 9) for certain types of metering installations. This exemption would apply where metering installations do not have sufficient communications infrastructure or where the metering installation does not facilitate collection of Power Quality Data for some other reason.	Same commencement date as drafting instruction 12, i.e., 1 July 2025
12	New provision	A new provision be inserted requiring Metering Data Providers to provide Power Quality Data and relevant NMI Standing Data from a small customer metering installation to the Local Network Service Provider. The new provision could broadly mirror cl 7.10.3 in relation to metering data, and an equivalent provision to cl 7.15.5(c) could be inserted in cl 7.15.5 that enables Local Network Service Providers to access Power Quality Data. This approach would mirror the approach adopted in relation to other how other data is provided / received under cl 7.10.3 and 7.15.5, respectively, in relation to metering data. Power Quality Data would be incorporated into the definition of metering data services, to ensure that obligations on Metering Data Providers in relation to, for example, the metering data services	1 July 2025(to allow 6 months for changes to AEMO and B2B procedures and a further 6 months to make the required IT system and process changes and any necessary

DI no	Rule provision	Proposed rule changes	Proposed commencement
		database and capability to provide metering data services are extended to Power Quality Data, to the extent necessary. Metering Coordinators should be required to ensure that access to Power Quality Data and relevant NMI Standing Data provided under the new provisions is scheduled appropriately to ensure that congestion does not occur. The requirement to do so could be achieved by amending or mirroring cl 7.15.5(b).	changes to contracts)[8]
13	New provision	Insert a new definition of 'Power Quality Data" in Chapter 7. This definition would include reference to the data points that comprise Power Quality Data, which at a basic level includes voltage, current, and active and reactive power (which could be represented as a phase angle).	Same commencement date as drafting instruction 12, i.e., 1 July 2025
14	7.16 and 7.17	Processes and procedures for sharing, and appropriate service levels for, 'basic' Power Quality Data to be defined in AEMO procedures and/or B2B procedures. Amend the rules providing for the development and amendment of service-level procedures for MDP services (rule 7.16) and potentially B2B procedures (rule 7.17).	Obligations on AEMO and the IEC to develop and consult on amended procedures commence the day the final rule is made. Amended procedures to be made by 6 months after the final rule is made.
Creating a fit-for-purpose testing and inspection regime for acceleration			
15	New provision	Metering Coordinators be exempted from the testing and inspection requirements in Tables S7.6.1.2 and S7.6.1.3 of the NER in relation to type 5 and 6 metering installations for the duration of the LMRP period. The testing and inspection requirements would then reapply after this period.	1 July 2025[9]
16	Table S7.6.1.2	In clause S7.6.1, in Table S7.6.1.2, the description for 'Whole current Meter' would be removed and replaced with the following: *The testing requirements must be in accordance with an asset management strategy.*	1 July 2025(to allow time for development of AEMO guidelines and asset management strategies)

[8] As noted in relation to drafting instruction 4, the proposed 1 July 2025 commencement date for these changes relies on final rule being made by 1 July 2024 and the AEMO and IEC procedure changes being made by 6 months after the final rule. If the final rule is not made until after that date, the commencement dates for drafting instruction numbers 9 and 11-14 should be changed to 12 months after the final rule is made.

[9] We have proposed a 1 July 2025 commencement date to align with the AEMC's final report recommendation that the exemption is 'for the duration of the LRMP period'. However, the AEMC should consider whether this rule should commence on the day the final rule is made. The costs of requiring DNSPs to test meters and trigger the family failure process for any meters that fail testing between when the final rule is made and 1 July 2025 is likely to outweigh the benefits and lead to a more complex replacement regime than simply relying on the LRMP process to replace these meters.

DI no	Rule provision	Proposed rule changes	Proposed commencement
17	Table S7.6.1.3	In clause S7.6.1, in Table S7.6.1.3, in the box for Type 4, 4A, 5 & 6 metering installations omit "When meter is tested" and substitute with the following: *In accordance with an approved Asset Management Strategy.*	1 July 2025(to allow time for development of AEMO guidelines and asset management strategies)
18	New provision	Insert a new requirement on AEMO to develop guidelines for Asset Management Strategies that specify: • The information Metering Coordinators must include in an Asset Management Strategy submitted to AEMO for approval. This would include, for example, evidence that the proposed methods are effective and detailed diagnosis and rectification procedures. • The criteria AEMO will use when considering an Asset Management Strategy. When developing the guidelines, AEMO would be required to comply with prescribed consultation requirements. The NER could also specify a meter inspection objective and high-level principles to be taken into account by AEMO in developing the guidelines.	Obligation on AEMO to develop and consult on guidelines commences the day the final rule is made. Guidelines to be made by 6 months after the final rule is made.
Proposed changes to the NERR			
Setting a target and mechanism to accelerate the deployment of smart meters across the NEM			

19	New provision	A transitional provision be inserted that amends the notice requirements under rule 46(4) as set out below:
		• Retailers would be required to include additional information in the notices, including:
		  • that the customer can request an estimate of what their historical bill would have been under the varied tariff, compared to the bill they received under the existing tariff (to the extent that the customer's smart meter data is available);
		  • how to understand, monitor and manage their usage (for example, through available apps or in-home displays).
		• Retailers would be required to give at least 30 business days' notice before the varied tariff is to apply to the customer. This would apply regardless of the reasons for the tariff change, and would include, for example, the underlying network tariff changing.
		These amendments would only apply to small customers whose meters are replaced under an LMRP. Further, they would also cease to apply on 31 December 2030.
			1 July 2025 (to align with LRMP commencement)

Reducing barriers to make deploying smart meters easier			
20	59A	A small customer's right to opt-out of the deployment of new electricity meters under this clause be removed.	The day the final rule is made

DI no	Rule provision	Proposed rule changes	Proposed commencement
21	59A	The number of notices a retailer who proposes to undertake a new meter deployment is required to provide to a small customer under rule 59A is reduced from two notices to one notice. This single notice would be provided to the small customer not more than 60 business days and not less than 4 business days before the proposed meter installation date.	The day the final rule is made
22	New provision	The NERR be amended to specify the process for notification of site defects impacting installation as follows: • Where a Metering Coordinator has been unable to install a meter at a small customer's premises due to a site defect, the relevant Retailer must notify the small customer of the site defect within 5 business days of being notified by the Metering Coordinator. • If the Retailer has not received confirmation from the small customer that the site defect has been rectified within two months of issuing the first notice, the Retailer must send a follow-up notice to the small customer within one month of issuing the first notice to the customer. • If the Retailer has not received confirmation from the customer that the site defect has been rectified within two months of issuing the second notice, the Retailer is required to confirm the status of remediation with the customer. • If the Retailer receives confirmation from the customer that the site defect has been rectified, the Retailer is required to progress the metering installation in accordance with the timelines set out in clauses 7.8.10, 7.8.10A, 7.8.10B, 7.8.10C of the NER (as outlined in drafting instruction number 26). Where a customer changes their Retailer during the notification process the incoming Retailer must complete all remaining steps of the notification process outlined above.	1 July 2025(to allow time to make the required system and process changes)
23	New provision	Where a Retailer will be unable to replace a metering installation because of a site defect, the Retailer will be required to issue a notice to the small customer, and potentially a follow-up notice, in accordance with the process described in drafting instruction number 22. If the Retailer has not received confirmation from the small customer that the site defect has been rectified within 40 business days of issuing a second notice, then the Retailer will be required to report the status of the site remediation in the Retailer's next quarterly report under Part 12, Division 2 of the NERL and the AER Performance Reporting Procedures. Where a site defect has not been rectified following two notices, the Retailer will not be required to complete the meter replacement, unless and until the site defect has been rectified.	1 July 2025

DI no	Rule provision	Proposed rule changes	Proposed commencement
Improving the customer experience when they get a smart meter			
24	59A	The information required to be provided in a notice to a small customer under rule 59A is expanded to include: 1. the reasons for the proposed new meter deployment; 2. how the customer can access their smart meter data; 3. the customer's rights and responsibilities regarding the metering installation; 4. the party the customer should contact to resolve issues, as well as dispute resolution options; 5. any changes to the customer's retail contract resulting from the metering installation, including tariff changes; 6. a summary of the services available to the small customer as a result of obtaining a smart meter; and 7. the proposed date range for installation of the new metering installation and supply outage. Information regarding any upfront charges the customer will incur under their retail contract as a result of the new meter deployment, the retailer's contact details and contact details of interpreter services in community languages are already required to be provided in a notice issued under the current rule 59A.	1 July 2025 (so the information can be consistent with the changes that will occur when the accelerated rollout commences and to allow time to make the required process changes)
25	59C	A Retailer will be required to provide additional information in a notice to customers under rule 59C where an interruption is required to replace a meter with, or install, a type 4 or 4A meter. The purpose of requiring this additional information in a notice under rule 59C is to ensure that relevant information is provided to customers in all situations where they are being provided with a smart meter. In some cases, this will be part of a new meter deployment (as defined in the NERR, rule 3), in which case the information may be included in the Retailer's notice under rule 59A (see drafting instruction number 24). This notice would be provided even if the Retailer and small customer agreed an interruption time. The additional information would include: • the reasons for the proposed new meter deployment; • the customer's rights and responsibilities regarding the interruption, including any potential costs that may be the responsibility of the small customer; • the party the customer should contact to resolve issues, as well as dispute resolution options; • any upfront charges the customer will incur under its retail contract as a result of the new meter deployment; • any changes to the customer's retail contract resulting from the metering installation, including tariff changes; • a summary of the services available to the small customer as a result of having a smart meter; • how the customer can access their smart meter data; • the proposed date range for installation of the new metering installation and supply outage;	1 July 2025 (so the information can be consistent with the changes that will occur when the accelerated rollout commences and to allow time to make the required process changes)

DI no	Rule provision	Proposed rule changes	Proposed commencement
		• the retailer's contact details; and • contact details of interpreter services in community languages. Retailers would need to provide the information notice at either: • the same time as the notice under rule 59A (if required); or • not more than 60 business days and not less than 4 business days before the proposed metering installation date. To the extent this information is required to be provided by a Retailer under another provision of the NERR (for example, rule 59A), at a similar point in time, this notice may be taken as satisfying those obligations. This notice would not need to be provided for new connections.	
26	New provision	A new clause is inserted that: 1. enables small customers to request a smart meter from their Retailer for any reason; and 2. requires Retailers to install a smart meter on receipt of such a request, in accordance with clauses 7.8.10, 7.8.10A, 7.8.10B and 7.8.10C of the NER (as applicable).	The day the final rule is made

Appendix B. Summary of prior consultation by the AEMC

Stage	Dates	Consultation
Initiation and consultation paper	December 2020 – August 2021	The AEMC published consultation paper and terms of reference for the review. Public submissions were open for 10 weeks. 56 public submissions were received. The consultation paper also invited stakeholders to register to become members of the stakeholder reference group. The AEMC also held numerous meetings with stakeholders.
Reference groups	March 2021 – June 2023	The AEMC established a stakeholder reference group that any stakeholder could join. There were over 50 members of the group. The group met regularly throughout the metering review and was consulted on the development of the AEMC's draft and final recommendations. The AEMC also established several stakeholder sub-groups relating to consumer experience, metering services, the metering rollout, roles and responsibilities, power quality data, and real time data. These groups met regularly and were consulted on the development of the AEMC's draft and final recommendations.
Directions paper	September 2021 – October 2022	The AEMC published and consulted on a 111 page directions paper for the review setting out its proposed direction on each of the recommendations that form part of this rule change request. It also published and consulted on supporting reports from Newgate Research and NERA Economic Consulting. Public submissions were open for 6 weeks. 62 public submissions were received. The AEMC also held numerous meetings with stakeholders.
Draft report	November 2022 – August 2023	The AEMC published and consulted on a 159 page draft report for the review setting out its draft recommendations on each of the recommendations that form part of this rule change request. It also published and consulted on a cost-benefit analysis by Oakley Greenwood. Public submissions were open for 13 weeks. 48 public submissions were received. The AEMC also held numerous meetings with stakeholders.
Final report	August 2023	The AEMC published a 199 page final report for the review setting out its final recommendations for rule changes on each of the recommendations that form part of this rule change request. It also published an updated cost-benefit analysis by Oakley Greenwood.