



INFORMATION

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Accelerating smart meter deployment

We have published a directions paper to seek stakeholder input on enhanced customer safeguards for the accelerated smart meter rollout

The Australian Energy Market Commission (the Commission) is progressing reforms to deploy smart meters across the NEM by 2030. In response to the *Accelerating smart meter deployment* draft determination of 4 April 2024, a broad range of stakeholders acknowledged the critical role that smart meters will play in the future energy system.

An accelerated smart meter rollout would benefit consumers. It would increase the amount of information available to consumers about their energy use, allow customers to better understand and manage their bills, and open up access to new and better retail service options. More broadly, an accelerated rollout would benefit all energy stakeholders by enabling a more efficient, lower-cost, and lower-emissions energy system.

While there remains strong and broad support for the rollout, some stakeholders raised concerns regarding the impact of retail tariff variations following a smart meter deployment, including the risk of negative customer impacts such as bill shock. Some stakeholders considered that the consumer safeguards proposed in our draft determination did not go far enough and should be enhanced.

We share stakeholder concerns regarding these issues. We consider that enhancements to our proposed safeguards are warranted to protect customers from negative outcomes following the installation of a smart meter, and to maintain social licence for the accelerated smart meter rollout.

Our directions paper includes two new safeguards in addition to those proposed in our draft determination

Our directions paper proposes two customer safeguard measures, in addition to those already proposed in our draft determination. We are seeking stakeholder input on these proposed changes before proceeding to a final determination on the rule change.

1. Customers would need to give explicit informed consent for a retail tariff structure change following a smart meter deployment

We are proposing to introduce a new customer consent requirement for any retail tariff changes following a smart meter deployment. When a customer receives their new smart meter, the retailer may offer the customer a new retail tariff. However, the retailer would be required to obtain the customer's explicit informed consent to change the customer's retail tariff. If the customer gives their explicit informed consent, the retailer may change the customer's retail tariff type.

This new explicit informed consent period would last for three years following the customer's smart meter deployment and would apply to customers who receive a tariff change as a result of receiving the new meter.

We consider that this proposed safeguard would reduce the risk of negative customer impacts such as bill shock and enhance consumer choice. It would allow consumers to choose the tariff products that best suit their needs, informed by their smart meter data.

2. Designated retailers would be required to offer flat tariffs to customers with smart meters, with this measure being implemented by jurisdictions

We are also proposing a new requirement for designated retailers¹ to offer customers with a smart meter a flat retail tariff. Under this proposed new requirement, if a small customer's

¹ National Energy Retail Law, s. 2

meter is replaced with a smart meter, then that customer's designated retailer must make a standing offer available to that customer with a flat retail tariff structure.

Under the NERL, jurisdictions would need to opt into this new flat tariff requirement for it to come into effect. That is, the rule would only apply if and when a given jurisdiction declares that it applies in that jurisdiction. Jurisdictions would need to apply this rule through a local instrument.

We consider that this measure would further support increased consumer choice in the competitive retail market, and ensure that all consumers have access to simple flat tariff products, should they want them.

Next steps

We are seeking stakeholder feedback on our directions paper. Written submissions responding to this directions paper must be lodged with the Commission by 12 September 2024.

We will hold a public forum on our directions paper on 29 August 2024, where stakeholders can hear directly from the project team and will have an opportunity to ask questions. You can register for the public forum via our project page.

For information contact:

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