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22 January 2026

Ms Lisa Shrimpton
Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted electronically

Dear Ms Shrimpton,

RE: Supporting compliance with meter maintenance obligations - Consultation Paper (RRC0070/ERC0419)

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to make this submission to the Australian Energy Market Commission's (the Commission's) consultation paper on rule change proposals to improve compliance with meter maintenance obligations.

The consultation paper brings together four proposals, the first three of which seek to address the challenge of incentivising or compelling large customers to accept an interruption to their day-to-day business and the costs incurred from the maintenance and testing. These proposals seek to compel customers by enabling retailers to disconnect large customers who fail to support periodic testing and inspection of meters required under the National Energy Rules.

The fourth proposal considers amending NER 7.2.1(a)(2) to place a civil penalty obligation on the Financially Responsible Market Participant (FRMP) to ensure there is a compliant metering installation at each connection point. We expect this may encourage some retailers to disconnect customers, both large and small, for failing to provide access to test or exchange a meter, lest the retailer incur a civil penalty under amended clause 7.2.1. for non-compliant metering installations.

We discuss the proposals in greater detail below.

Metering Coordinators (MC) and retailers can advise their customers of the need for the interruption of supply and their obligation to provide safe access to allow for testing and maintenance. However, it can be difficult to persuade a customer of the need for such an interruption to their day-to-day business. This reflects the cost and impact to normal business operations of the interruption and the cost of the meter maintenance work itself.

We see some risk for retailers that a customer may transfer to another retailer, who potentially appoints a new MC in an attempt to avoid or at least postpone testing and

maintenance. This leaves the new retailer and MC to restart the process since there is currently no market visibility of meter installation compliance and no consequence for the customer for their failure to allow meter installation testing and maintenance.

Whether the MC was appointed by the retailer, or by the customer directly, they should be able to call upon the retailer to support them. This could go as far as disconnection for non-compliance, but more reasonably, through a request to the relevant distribution network business to coordinate a planned interruption of supply. The retailer then has the ability to pass through the associated costs to the customer in the course of receiving charges from the distribution business and metering parties.

There are similar challenges of persuading a customer of their obligation to provide safe and clear access when attempting to exchange faulty meters or obtain safe access to the meter for maintenance at small customer metering installations. This is also occurring in an environment where some small customers view smart meters with scepticism or distrust and are restricting access to the meter at their premises.

Where a customer does not provide safe and clear access or is unwilling to accept the need for an interruption to their power supply, the MC cannot address metering malfunctions within prescribed time frames. This is where exemptions are appropriate, and should be provided for, after metering parties have made all reasonable endeavours.

We see a clear role for a retailer to set expectations about its customer's obligations to provide clear and safe access and the requirements for the testing and inspection of metering installations. The retailer can also explain that it may seek to disconnect a customer for failing to enable testing and maintenance.

In our view, it is preferable for testing and inspection requirements to be considered in commercial agreements between retailers and their customers. On the other hand, we do not consider it appropriate for the National Electricity Rules to apply obligations to this effect noting the potential outcomes we refer to above. The NER currently places fair and reasonable expectations on the terms and conditions between a FRMP and MC without being prescriptive about the elements of the arrangement.

The fourth proposal considers assigning increased Unaccounted for Energy (UFE) to non-compliant metering and amending NER 7.2.1(a)(2) to place a civil penalty obligation on the FRMP to ensure that there is a compliant metering installation at each connection point.

Amending the UFE assignment for a metering installation that does not hold valid certification involves considerable changes. This involves recording and tracking compliance certificates, potentially through Standing Data to make them visible to appropriate industry participants. The cost of this change would not be negligible and the Commission must weigh this against the potential benefits (i.e. improved accessibility of valid test certificates, as noted by Yurika and Intellihub).

The fourth proposal also suggests there is an opportunity for meter inspection and maintenance to occur during an interruption that a distribution network has initiated for other reasons. The Commission should explore this through this consultation but we do note that the safe coordination of all parties may not be possible or feasible, particularly if each party has different testing or scheduling requirements. The Commission needs to consider these practicalities when it is considering potential rule changes.

About Red and Lumo

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail electricity and gas in New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory to over 1.6 million customers.

Red and Lumo thank the Commission for the opportunity to comment on the consultation paper. Should you wish to discuss or have any further enquiries regarding this submission, please call Sean Jennings, Regulatory Manager, on 0403 846 585.

Yours sincerely

A handwritten signature in black ink, appearing to read "G. Hargreaves".

Geoff Hargreaves

Manager - Regulatory Affairs

Red Energy Pty Ltd

Lumo Energy (Australia) Pty Ltd