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Australian Energy Market Commission

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To Whom It May Concern,

Supporting compliance with meter maintenance obligations rule 2026, draft rule determination

Stanwell Corporation Limited (Stanwell) appreciates the opportunity to provide feedback to the Australian Energy Market Commission's (AEMC) *Supporting compliance with meter maintenance obligations rule 2026, draft rule determination* (the Consultation Paper).

Stanwell is Queensland's leading provider of electricity and energy solutions to the National Electricity Market (NEM), and large energy users along the eastern seaboard of Australia. With over 40 years of continuous operations, Stanwell maintains a reliable supply of power from two of the most efficient and reliable coal-fired power stations in Australia - the Tarong power stations near Kingaroy and Stanwell Power Station near Rockhampton.

Stanwell's experience in working with communities to build, operate and maintain reliable energy generation assets is being applied to the shift to renewable energy, as we work on a pipeline of renewable energy and storage projects throughout Queensland.

This submission contains the views of Stanwell only and should not be construed as indicative or representative of the views or policy of the Queensland Government.

Introduction

Stanwell notes the work undertaken to date by the AEMC and acknowledges that submissions received through the consultation process, including those from Stanwell, have been considered in the development of the consultation paper.

We welcome the AEMC's decision not to progress proposals relating to retailer-led de-energisation for metering non-compliance or the prescription of Metering Coordinator contractual terms in the National Electricity Rules (NER), consistent with the AEMC's assessment of safety risks and the appropriateness of leaving such matters to commercial arrangements.

However, Stanwell is disappointed that the Commission has decided not to progress AEMO's proposal that the Unaccounted-for Energy (UFE) methodology be changed so that retailers with non-compliant metering installations at their connection points would bear a proportionally greater share of UFE.

Stanwell strongly recommends that the AEMC reconsider AEMO's proposal, as we believe the decision not to progress this initiative perpetuates inefficient and inequitable outcomes for customers. This is particularly the case for larger customers who have done the right thing by investing in highly accurate interval meters that minimise metering inaccuracy but continue to be charged UFE as if they had taken no action. Maintaining the status quo for calculation of UFE means that customers with accurate interval meters will continue to be charged a disproportionate portion of UFE, compared to those customers without. The draft decision fails to provide a simple incentive for facilities to improve their own metering, thereby improving whole-of-system outcomes.

Customers with advanced metering are less likely to be the source of UFE

As highlighted in AEMO's third UFE Trends report covering the 24-month period ending 1 March 2025, AEMO has identified that significant improvements in UFE outcomes will be driven by continued deployment of remotely read interval metering.¹ Until such time as distribution networks with lower smart meter penetration achieve comparable uptake to Victoria, large customers that have already invested in smart metering will continue to cross-subsidise customers with legacy metering. This outcome is expected to persist until the Accelerating Smart Meter Deployment reforms are fully implemented and all remaining legacy meters are replaced by 30 November 2030.²

Proportional allocation entrenches cross-subsidisation and weakens incentives to invest in improved metering. A UFE framework that better aligns cost allocation with actual contribution to UFE would more effectively promote efficiency, competition and the long-term interests of consumers, consistent with the National Electricity Objective.

In circumstances where retailers such as Stanwell supply exclusively to customers with highly accurate interval metering, these retailers are forced into a position where they are charging customers for the inaction of others or absorbing costs over which they have no control or influence. This compounds the already negative view of "equity and fairness" in the energy supply system.

In support of Stanwell's position that the current allocation of UFE disadvantages customer with smart meters, this was identified as a potential issue in the *AEMC Global Settlement and Market Reconciliation Rule determination 2018* where it was noted that "throughout the rule change AEMO and Commission staff have considered whether a lower proportion of UFE should be allocated to retailers load for customers with advanced metering because they are less likely to be a source of UFE. " and "If AEMO reaches this conclusion post the introduction of global settlements it will be appropriate for it to make such recommendations."³

A broader approach is required to ensure equitable UFE allocation

Stanwell does not consider that increased UFE allocation to non-compliant metered sites alone will be sufficient to drive metering compliance outcomes. As such, Stanwell recommends a broader approach to reduce UFE, where large sites are incentivised to achieve compliance, and non-compliant sites are subject to a two-tiered compliance framework, as outlined below:

- 1 AEMO to implement a separate UFE charge calculation for smart-meter customers, as they are least likely to contribute to UFE when compared to legacy or accumulation meters;⁴
- 2 AEMO to implement its targeted UFE allocation methodology, that non-compliant sites be allocated a higher UFE charge (this could be to apply the UFE allocation, as mentioned above, for legacy or accumulation meters, for simplicity)

Stanwell believes this is a practical, sensible approach to promote improved metering compliance, where customers who have invested in smart meter technology are allocated UFE charges in proportion to their demonstrated lesser contribution to UFE within a distribution area.

Stanwell remains supportive of AEMO's proposal and believes that stakeholder feedback in response to the initial consultation does not provide a compelling argument or evidence that AEMO's proposal to change the UFE calculation methodology should not progress. Rather, Stanwell considers that the concerns raised relating to potential impacts on settlement volatility and AEMO's ability to apportion UFE⁵ are manageable.

Stanwell would further add that AEMO, as the system operator, would not have put forward its proposal unless it believed it was necessary and achievable, and had the relevant data and necessary capacity to

¹ [AEMO UFE trends report 16 May 2025](#) p.59

² [AEMO | Metering Services Review - Accelerating Smart Meter Deployment, 28 November 2024](#)

³ [AEMC Global Settlement and Market Reconciliation Rule Determination, 6 December 2018](#) p.33

⁴ [Stanwell Corporation submission AEMC compliance with meter maintenance obligations rule, 20 January 2026](#) p.3

⁵ [AEMC Draft determination - Supporting compliance with meter maintenance obligations](#) p.53

implement it. It is Stanwell's position that the perceived risks raised in the initial consultation feedback are outweighed by the current inequitable outcomes.

Obligations on retailers and large customers as the person who appointed the MC

Stanwell agrees with the AEMC that retailers and large customers should cooperate and provide "reasonable assistance" to Metering Coordinators (MCs), where such assistance is timely, practical and proportionate, and within their respective roles and control. This will help another party or customer comply with the Rules, where refusing or delaying that assistance would undermine compliance or consumer protections.

Stanwell currently assists MCs in the following ways:

- **Contractual obligations on customers to assist MCs**

Stanwell's Retail Electricity Contracts, inform large customers of their responsibilities under the NER to cooperate with and assist MCs, Metering Providers and Metering Data Providers to meet testing, inspection and compliance obligations, including granting access and supporting reasonable scheduling requests.

- **Facilitating customer engagement and site access**

Where requested by an MC, Stanwell assists by engaging with its customers to facilitate access to sites and coordinate timing for testing and inspection activities, consistent with customer's obligations under Stanwell's Retail Electricity Contracts.

- **Providing relevant customer and site information**

Stanwell provides MCs with relevant customer contact details and supports coordination discussions to help identify appropriate site contacts who can authorise testing, inspections or outages when required. Stanwell proposes the introduction of a "Metering Site Contact" in the above scenario, which would be available to MCs or Retailers via a B2B service order request. We consider the provision of this information to be part and parcel of good customer service and to support other NEM participants in discharging their obligations.

Defining who is the party obligated to support the MC – Large Customer or Retailer

The consultation paper seeks to amend the NER to introduce an obligation on the person who appoints an MC (i.e. retailers or large customers) to support MCs in meeting their meter maintenance obligations.⁶

Stanwell understands, after receiving feedback from the AEMC to clarify questions around who will be obligated to support MCs that the following applies:

- Where a large customer has an existing agreement with a Metering Coordinator (MC) and subsequently churns to a new retailer, the obligation to support the MC in meeting its maintenance obligations remains with the large customer, as they are the party that appointed the MC, irrespective of retailer churn; similarly
- Where a retailer provides contact details for an MC (without making a recommendation), and the large customer subsequently enters into an agreement with that MC, the large customer is taken to have appointed the MC.

In both circumstances, the obligation to support an MC with meter compliance activities rests with the large customer, not the retailer. Stanwell strongly supports the AEMC in clearly defining the location of the obligation, noting that regulatory certainty is critical for participants to understand whether they are the obligated party.

⁶ [AEMC Draft determination - Supporting compliance with meter maintenance obligations](#) pi

Circumstances where MCs may apply for an exemption with a longer period than specified in AEMO's Exemption Procedure

The Consultation Paper suggests that MCs should be able to apply “for an exemption with a longer period than that specified in malfunctions AEMO's Exemption Procedure, only in circumstances where a metering installation is not accessible, ready, or safe”⁷ Stanwell agrees that where site access is an issue, MCs should be provided with more time to test and inspect metering installations, and repair malfunctions, with support from retailers or large customers. This would also mitigate the risk that MCs may be penalized for non-compliance with their obligations due to issues outside their control to resolve.

Obligation for previous MCs to share the most recent test certificate, where available, with the new MC at a metering installation

Stanwell supports the proposed obligation that the previous MC provide a copy of the latest certificate within 10 business days of being requested by the incoming MC. Stanwell agrees this is a non-controversial proposal that would make the incoming MCs job more efficient.⁸

Stanwell suggests that these test certificates could also be made available and accessible through MSATs for prospective MCs. We note that AEMO are proposing a new field to introduce a “compliance status flag” which provides visibility to current and prospective FRMPs, MCs and metering providers (MPs).⁹ This transparency in metering compliance information may also address the issue of customers churning MCs to avoid metering compliance obligations.

Conclusion

Stanwell appreciates the opportunity to provide feedback on the consultation *Supporting compliance with meter maintenance obligations Draft Rule Determination*. In summary:

- Stanwell supports the overall direction of the consultation paper, particularly its emphasis on safety, proportionality, and clear allocation of responsibilities between retailers, large customers and MCs.
- Stanwell welcomes measures that improve metering compliance, transparency, facilitate cooperation between parties and reduce the risk of MCs being penalised for matters outside their control.
- The current proportional UFE allocation framework perpetuates cross-subsidisation, weakens incentives to invest in compliant metering, and disproportionately impacts smaller and niche retailers and their customers and should be changed at this opportunity
- Stanwell is concerned that the decision not to progress AEMO's targeted UFE allocation proposal entrenches inefficient and inequitable outcomes, particularly for customers with highly accurate interval metering. This needs to be reconsidered with AEMO well positioned and capable of progressing this work.
- Such an approach would better align cost allocation with actual contribution to UFE, promote efficient investment and competition, and support the long-term interests of consumers consistent with the National Electricity Objective.

Stanwell welcomes the opportunity to further discuss the matters outlined in this submission. Please contact Brad Supple via email at Bradley.supple@stanwell.com

Yours sincerely



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⁷ [AEMC Draft determination - Supporting compliance with meter maintenance obligations](#) p.33

⁸ [Intellihub Improving the Metering Installation Maintenance Framework, 10 October 2025](#) p.9

⁹ [AEMO Strengthening Metering Compliance and Improving UFE Allocation Fairness, 22 September 2025](#) p.11