

# Using estimated reads for customer transfers

Stakeholder workshop – 24 June 2016



**Ed Chan**

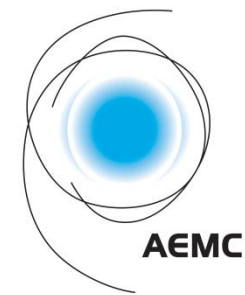
Director

AUSTRALIAN ENERGY MARKET COMMISSION

# Outline

---

- Recap of the rule change request
- Period in which this rule change could be beneficial
- Changes to systems required – if estimates on transfer applied to both type 5 and type 6 meters
- Changes to systems required – if restrictions on estimates on transfer were imposed
- Other options to reduce transfer times



# Recap of the rule change request



# The rule change request – issues identified

---

- Issue the rule change request is seeking to address:
  - Delay in customer transfer (beyond 30 days)
- Reasons for the delay
  - The next actual meter read is some time away
  - Customer reluctant to pay for a special meter read
  - Meter access issues at the property

# The rule change request – proposed solution

---

- Changes to both the NER and NERR
- Customer's final bill can be based on an estimate if:
  - the customer gives explicit informed consent
  - the customer's meter is a manually read meter
  - the immediately prior meter read was an actual meter read
- Outgoing and incoming retailer must use the same estimated meter reading
- Applies to small customers in-situ transfer only

# Key issues identified in stakeholder submissions

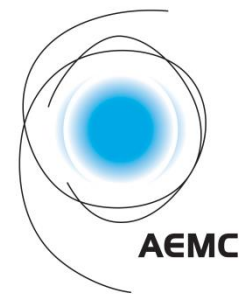
---

- The roll out of advanced meters will reduce the benefits of this rule change
- Costs involved in implementing the changes:
  - System and procedure changes to accommodate estimated reads
  - Identifying whether last meter read was an actual read
  - Issues with type 5 (MRIM) meters – availability of more accurate data after estimated reads
- Proposal will not solve chronic access issues

# Issues we would like to explore further today

---

1. Period in which this rule change could be beneficial
2. Changes to systems required – if estimates on transfer applied to both type 5 and 6 meters (as proposed in the rule change request)
3. Changes to systems required – if restrictions on estimates on transfer were imposed (as suggested in submission to the Consultation paper)
4. Other options to reduce transfer times



Period in which this rule change could be beneficial





# Advanced meters and Victorian customers

---

- Competition in metering rule change – commencing in December 2017
  - A ‘market-led’ roll out of advanced meters
  - The number of customers with type 5 (MRIM) or type 6 meters will diminish over time – but at what rate?
  - The speed of the roll out will affect the benefits of this rule change
- In Victoria, only a very small proportion of customers remain on type 5 (MRIM) or type 6 meters
  - There, the benefit would only accrue to a small set of customers

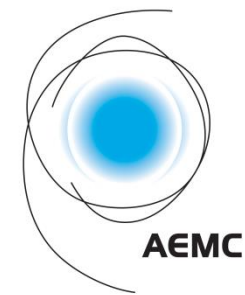
## Issue for discussion

---

- With a market led roll out of advanced meters, how quickly would the pool of type 5 and 6 meters diminish over time? (Or - how quickly will advanced meters be rolled out?)

---

# Summary of discussion



# Changes to systems required

if estimates on transfer applied to both type 5 and 6 meters



# Using estimates for in-situ transfer: type 5 (MRIM) vs type 6 meters

- Type 6 meters
  - Relatively straight forward – estimate at a point in time cannot be replaced by more recent/accurate data
  - ‘Self correcting’ – customer will generally be left whole when the next actual meter read occurs
- Type 5 meters (MRIM)
  - Actual data (for the period of the estimation) will become available when the next actual meter read occurs
  - Current procedures will mean the actual data will replace estimated reading
  - Implications for this rule change: corrections, potential over/under billing of customers

# Implementation scenarios: if type 5 (MRIM) meters are included

---

1. Estimates not replaced by actual data for all types of settlement
  - Solution proposed by the rule change request
2. Estimates used for customer final bill only. Actual data used for corrections in wholesale market and network billing
3. Actual data used for corrections in retail, wholesale and network billing
  - a. Outgoing retailer adjusts customer's final bill (after receiving actual data); or
  - b. Outgoing retailer withholds final bill until actual data arrives

# Issues for discussion

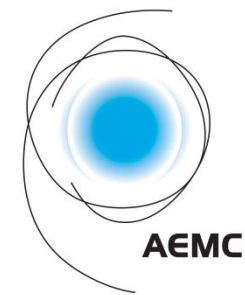
---

- For each of the scenarios listed previously:
  - What changes to systems and procedures will be required to implement the rule change?
  - What is the cost to implement the change?
  - How much time is required to implement the change?
  - What risk(s) does the scenario impose on stakeholders?
  - Are there specific implementation issues that we should be mindful of?

---

# Summary of discussion





# Changes to systems required

if restrictions on estimates on transfer were imposed



# Factors complicating the use of estimated reads for customer transfer

---

- Type 5 (MRIM) meters – actuals replacing estimates
- Victorian customers – only a small number on MRIM or type 6
- Solar PV customers – taking into account generation and load
- Submissions suggest excluding the following:
  - Type 5 (MRIM) meters
  - Victorian customers
  - Customers on feed-in tariffs
  - Where the meter is being replaced

# Issues for discussion

---

- Are there other restrictions that we should consider in addition to the ones suggested in the submissions?
- If the restrictions as suggested by stakeholders were imposed:
  - What changes to systems and procedures will still be required to implement the rule change?
  - What is the cost to implement the change?
  - How much time is required to implement the change?

---

# Summary of discussion

# Other options to reduce transfer times



# What are the alternatives?

---

- It could be some time before advanced meters become the 'norm'
  - Small customers could still be faced with extended transfer times
- Alternatives to estimated reads (suggested by some stakeholders):
  - Special reads
    - Only 13.5% of in-situ transfers between 2013-2015 used special reads
  - Customer reads (potentially with photo proof)
    - Not widely used or accepted
    - Still considered a type of estimated read under the rules

# Issues for discussion

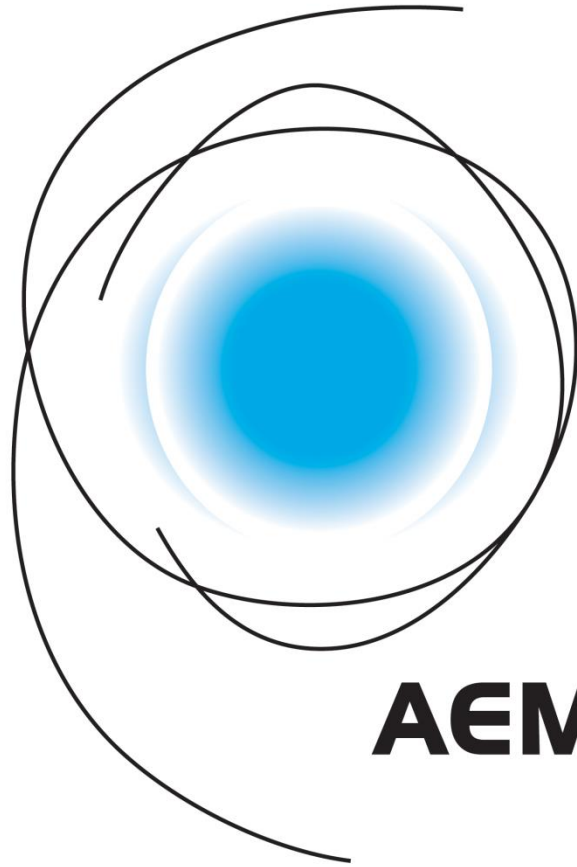
---

- Special meter reads enable transfers to occur more quickly. Why are these not used more frequently?
- Could the increased use of customer reads:
  - Improve customers' willingness to use 'estimated reads'?
  - Reduce the risk to other stakeholders?
- Other than the roll out of advanced meters, what could improve the speed of in-situ transfers?

---

# Summary of discussion





**AEMC**