



ACTIVESTREAM

8 October 2015

Ms. Anne Pearson
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged online: www.aemc.com.au

Dear Ms. Pearson,

RE: Consultation Paper - National Electricity Amendment (Meter Replacement Processes) Rule 2015 (Reference: ERC0182)

Active Stream Pty Ltd (**Active Stream**) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (**AEMC**) in response to its Directions Paper with respect to the National Electricity Amendment (Meter Replacement Processes) Rule 2015 (the **Directions Paper**).

Active Stream is an accredited Meter Provider and Meter Data Provider, which provides digital metering devices and data services to energy retailers, distributors, and other businesses in the National Electricity Market. Established in 2014, Active Stream is a wholly-owned subsidiary of AGL Energy Limited. Our digital metering solutions enable businesses to fully realise the benefits of advanced metering technology to deliver their services more efficiently and offer innovative products which better meet the needs of current and future energy consumers.

As a metering service provider, we broadly support the intent of the Direction Paper which we consider a further step in the right direction on this issue. Active Stream also welcomes the ability to be nominated as a service provider during the retail transfer process. This will remove possible delays associated with meter replacement and assist us with operational forecasting and appointment setting for new customer sites once we are recognised in the MSATS system as the MP/MDP at a connection point.

Active Stream also agrees that the National Electricity Rules (NER; Rules) requires further clarity with respect to when meter replacement can be undertaken at a connection point. However, we do not believe that the proposed policy position in the Direction Paper which limits “.....*meter exchange at a connection point until the retail transfer is complete*” will deliver the most efficient outcome to the market and customers.

In our view, this proposed approach will not fully address the concerns outlined in the Rule Change request. Namely it does not address risks associated with meter non-compliance, for example where a retailer contract has commenced before retail transfer has processed but the existing metering installation is unsuitable. In such a situation, the meter service provider would be in breach of AEMO’s Metrology Procedures. It also does not resolve risks associated with increased demand for

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service provision over peak periods which has the potential to impact competition, service delivery and therefore customer experiences.

We acknowledge that the AEMC is cognisant that negative customer experience, where a customer is forced to wait a period of time before receipt of their chosen products or services is likely to grow over time. We also agree that if not addressed, this is likely to undermine confidence, particularly small customers, in the retail market.

We therefore urge the AEMC to consider an approach which results in as little disruption, confusion and cost as possible to all parties including customers, while also providing clarity on the rights, responsibilities and liabilities of metering parties at a connection point.

Active Stream suggests that enabling meter replacement on the effective date of retail transfer will resolve these concerns, provide sufficient clarity to market participants and enable a positive customer experience. This is especially the case, where incoming service providers can be nominated by the incoming retailer during the retail transfer period and therefore meter replacement can occur immediately on the effective retail transfer date (or retrospectively aligned in MSATS). Should the AEMC decide to reflect this position in its Draft Determination, we consider that its proposed policy position specific to commercial negotiations may be unnecessary.

Irrespective, Active Stream considers that commercial negotiations are only beneficial where the resultant agreement provides value to both counterparties. In some instances, this may eventuate. However, we believe that in the majority of cases this is unlikely to occur because, specific to meter and retailer change, one party will not receive a material benefit – instead they would lose either a retail customer or service provision (depending on the role of each incumbent party). In addition, it is further unlikely that either counterparty would be able to reach a satisfactory arrangement which balanced asset ownership, liability and regulatory responsibilities for the metering installation over the retail transfer period and beyond.

The only way such benefits could be suitably weighted, is if there was a suitable incentive or arrangement which ensured that both incumbent and incoming parties cooperated effectively in 'good faith' to deliver a positive customer experience.

However, as above, Active Stream considers this to be unnecessary if meter and retail transfer were aligned, as the risks associated with meter replacement delays, increased avoidable costs and negative customer experience would be largely removed.

If you would like further details or clarification on our views, please contact Dan Mascarenhas on (03) 8633 7874 or DMascarenhas@activestream.com.au.

Yours sincerely,

Jason Clark
General Manager

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