



**BALLARAT
RENEWABLE
ENERGY
AND ZERO
EMISSIONS inc**

www.breaze.org.au

ABN 35 704 902 844

P.O. BOX 319W, BALLARAT WEST 3350

7th November, 2008

Sender:

Simon Reid
Adminstrator
BREAZE Solar PV Project
PO Box 319W
Ballarat West VIC 3350

Attention:

Dr John Tamblyn
Chairman Australian Energy Markets Commission
Level 16, 1 Margaret Street
Sydney NSW 2000

***** RE: Rule Change Proposal - Victorian Jurisdictional Derogation *****

Dear Dr Tamblyn,

I write on behalf of our membership concerning the aforementioned derogation proposal which, we understand, will force electricity Retailers to source smart metering services only from the local electricity Distributor from January 2009.

BREAZE (Ballarat Renewable Energy And Zero Emissions Inc) is a local incorporated non-profit community group focused on promoting sustainable ways of living in our community. Our activities include the bulk-buying of energy products and services for our members. We are currently involved in projects to introduce low cost solar hot water, solar photovoltaic generation systems and smart meters throughout Ballarat and the surrounding region.

Smart meters offer our members the benefit of being able to access their half-hour usage data via the Internet so that they can monitor their consumption and reduce their greenhouse gas emissions.

Smart meters are also an essential component of the value proposition when considering solar generation. The smart meters not only provide accurate import and export readings on which feed-in tariffs are based, but also enable those who have invested in these systems to immediately see how they are positively impacting the environment by reducing household emissions.



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The smart metering services available to us - daily remote data collection, remote reprogramming, online data access with optional 'gross' metering and In-Home Display upgrades - just aren't available from the local Distribution company, PowerCor. The best PowerCor can offer is a digital meter, where it is still unclear whether the data is recorded in intervals or accumulated time-of-use registers, that is manually read, with no on-line data access at a cost of around \$400. The smart meter available from a competitor to PowerCor costs well under \$300 with the same daily operating costs as charged by PowerCor for a manually read meter with no Internet access.

It simply doesn't make sense to grant PowerCor a monopoly over services they don't provide while denying Retailers and their customers access to service providers that do.

It has been explained that the Victorian State Government has mandated the rollout of smart meters to all Victorian customers and that if we wait long enough all of our members will have smart meters. That wait is up to five years, possibly longer, and in the meantime our members will be expected to pay more for a meter that will inevitably be replaced. It has also been explained that the purpose of the derogation is to ensure that Distributors can deliver the cheapest possible smart metering solution to each Victorian consumer. Which begs the obvious response - 'If PowerCor is able to deliver a cheaper and more reliable smart metering service than any competitor then why don't they and why is it necessary to lock competitors out of the market?'

One could be forgiven for thinking that it is only necessary to grant the derogation because the Distributors are inefficient, their prices are higher and their service levels lower than that of competitors and forcing them to compete under a mandate would only highlight those inefficiencies and expose the higher prices that consumers are subjected to.

BREAZE appreciates the need for Government to implement policy objectives, but this doesn't need to be done at the expense of competition between service providers, forcing average consumers, such as our members, to pay more for what is really a very basic service. We implore the AEMC to not to remove the right of electricity Retailers to access smart metering services, as is currently allowed, to assist our members and Victorian consumers generally get a better deal.

Thanks for your consideration,

Simon Reid
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