



19 May 2015

Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Lodged online at: www.aemc.gov.au
Project number ERC0169

Dear Sir/Madam

Re: AEMC draft rule determination — expanding competition in metering and related services

Thank you for the opportunity to comment on the Australian Energy Market Commission (AEMC)'s *draft rule determination — expanding competition in metering and related services* (the draft rule).

The Energy and Water Ombudsman (Victoria) (EWOV) is an industry-based external dispute resolution scheme that helps Victorian energy and water consumers by receiving, investigating and facilitating the resolution of their complaints.

Since September 2009, electricity distributors have installed 2.8 million Smart Meters at properties in Victoria as part of the state government mandated roll out, which is now effectively complete¹. This metering technology has brought benefits to many customers, including the monitoring of 'real-time' electricity use through web portals and in-home displays, better meter read and bill accuracy, and access to flexible pricing tariffs. Nevertheless, since July 2009, EWOV has received almost 21,000 Smart Meter-related cases. While we believe that industry has learnt much from the Victorian experience, EWOV is in a good position to provide valuable insight into potential customer issues with Smart Meters and what could be expected from the use of these advanced meters in other Australian states and territories.

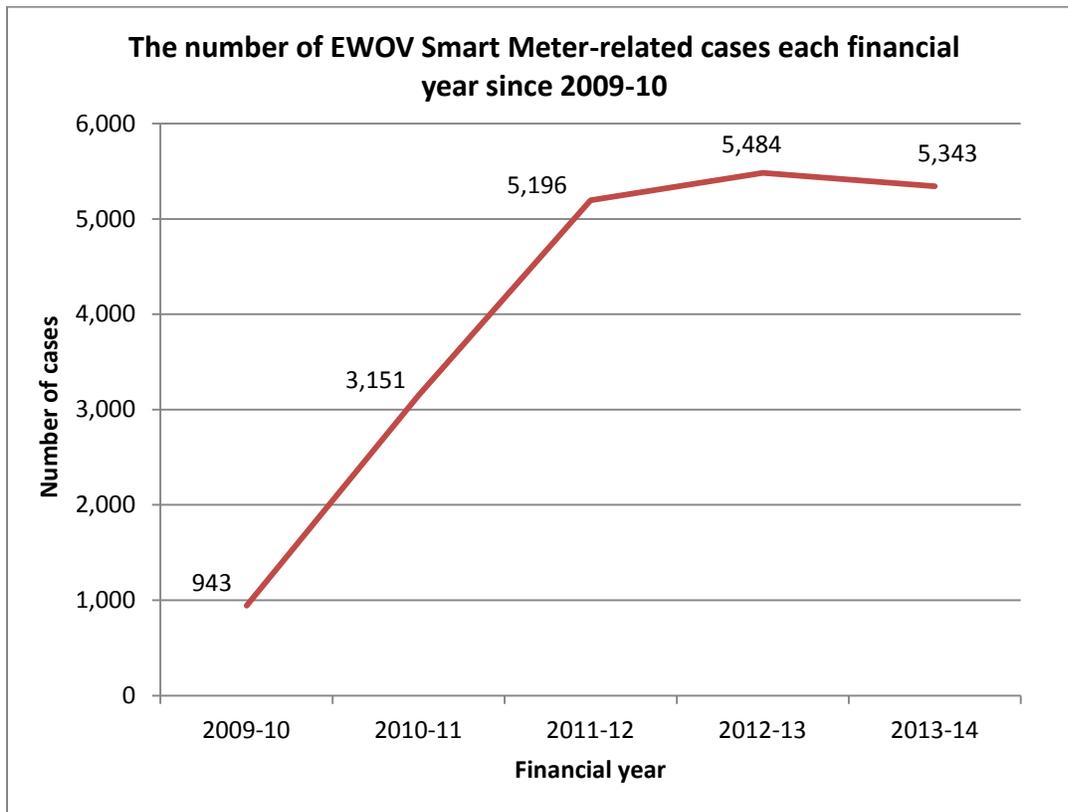
We recognise that the AEMC's opt-out framework detailed in the draft rule is significantly different from the Victorian roll out. However, we hope that our comments on this consultation are a useful overview of the common types of Smart Meter complaints which may arise for consumers, energy companies, government and regulators and Ombudsman schemes. More

¹ See www.smartmeters.vic.gov.au

detailed information and case data can be found in our quarterly [Solar and Smart Meter Reports](#)² and previous submissions we have made about Smart Meters³.

The number of EWOV Smart Meter-related cases

The graph below shows the number of Smart Meter-related cases EWOV received each financial year since 2009-10.



It's clear from the graph that our Smart Meter cases increased during the early stages of the roll out (when there was a lower installation rate), and then plateaued for the three financial years during the main implementation period of 2011 to 2014. Since July 2014, EWOV Smart Meter

² See www.ewov.com.au/reports/solar-and-smart-meter-report-apr-2015

³ See www.ewov.com.au/publications-and-media/submissions and in particular, the following submissions:

- [Standing Council on Energy and Resources National Smart Meter Consumer Protection and Safety Review Consultation Paper – National Energy Retail Rules Amendment Rule 20](#)
- [Standing Council on Energy and Resources Draft Policy Paper Two – National Smart Meter Protections and Pricing](#)
- [Essential Services Commission's Issues Paper on Regulatory Review – Smart Meters \(May 2010\)](#)
- [Essential Services Commission's Regulatory Review - Smart Meters \(February 2010\)](#)
- [Standing Council on Energy and Resources National Smart Meter Consumer Protection and Safety Review Consultation Paper – National Energy Retail Rules Amendment Rule 2013](#)

cases have fallen, as the roll out is now effectively complete. In the January to March 2015 quarter, we received 624 Smart Meter cases which is the lowest quarterly receipt since July to September 2010, which was during the early days of the roll out.

Common Smart Meter complaints

EWOV Smart Meter-related complaint issues can be categorised by each progressive stage of the roll out – pre-installation, meter exchange and post-installation.

Pre-installation issues

When a customer contacted EWOV before a Smart Meter was installed at their property, it was commonly for these reasons:

- To ask for general information about the roll out, such as whether the meter replacement was mandatory or could be delayed or deferred.
- To seek EWOV's help after receiving a Smart Meter installation notice, when they did not want a Smart Meter at their property.
- To complain about the government's policy underpinning the mandatory Smart Meter roll out.
- To complain about the Advanced Meter Fee billed to account holders to pay for the Smart Meter, or the cost in general of Smart Meters on the consumer.
- To express concerns about perceived health and safety risks, particularly about electro-magnetic radiation from the Smart Meter's wireless technology. The relevant government bodies have unambiguously stated that Smart Meter's are safe and overall exposure to electro-magnetic radiation is very low and well within allowed limits⁴.
- To seek assistance because their retailer was ill-equipped to answer Smart Meter questions and did not provide access to Smart Meter specialists to address their query or complaint.

Many of these types of complaints fell outside EWOV's jurisdiction as they related to government policy and pricing, however we were able to offer general advice and help by referring customers to another agency, such as their local member of parliament, or to a higher level contact within their company.

⁴ See www.acma.gov.au/Citizen/Consumer-info/Rights-and-safeguards/EME-hub/smart-meters and www.arpansa.gov.au/radiationprotection/factsheets/is_smartmeters.cfm

We often found that enquiry and complaint increases were in response to media coverage, negative publicity about Smart Meter developments and confused media messages from government representatives. Sometimes the media spotlight was on Smart Meter health and safety issues, fees and charges, or whether Smart Meters were compulsory. This attention raised questions for customers and calls to EWOV. Again, while we were able to help customers by providing useful information, often these enquiries were outside our jurisdiction.

The meter exchange

EWOV found that some issues arose during the process of exchanging an existing meter for a Smart Meter. Customers contacted us to complain about:

- The distributor issuing a defect notice to fix an unsafe supply (such as hazardous wiring, broken meter board, or obstructive DIY renovations) before they could install the Smart Meter. If the defect wasn't remedied within a certain period of time when the distributor may disconnect the electricity supply to the property until the defect is fixed.
- The Smart Meter installer damaging their property during the meter exchange or the quality of the workmanship.
- The meter exchange affecting or delaying the progress of a solar application and feed-in tariff eligibility, especially when customers wanted to receive the in-demand Premium Feed-in Tariff⁵.
- The inconvenience of providing unhindered or scheduled access to the Smart Meter installer to make the exchange.

Post-installation issues

We found that common complaints were raised by customers after their Smart Meter installation, predominantly about the accuracy of bills. Customers contacted us to complain about:

- Higher than expected bills after the Smart Meter was installed. Our investigations often found that the old analogue meter at the property was historically under-recording the customer's household electricity use and the new Smart Meter provided greater accuracy, so giving an impression of a high bill. However, these complaints were sometimes complicated when the old analogue meter was unavailable to test for accuracy.

⁵ See <http://www.energyandresources.vic.gov.au/energy/environment-and-community/victorian-feed-in-tariff-schemes/closed-schemes/premium-feed-in-tariff>

- The difficulty in manually reading the Smart Meter and comparing its readings to the information given on bills to help verify electricity use. The Victorian government legislated that energy retailers provide index reads on all electricity bills to show each meter register's total electricity consumption.
- Changes to their tariff arrangements when a Smart Meter is installed, such as losing an off-peak rate (time-of-use tariffs, or controlled loads, such as dedicated hot water systems).
- Distributors incorrectly wiring the controlled load appliance, such as a hot water system, to the Smart Meter.
- Billing delays while electricity retailers adjusted their billing systems to be compatible with new Smart Meter data files. This issue was compounded by problems with one large retailer's billing systems upgrade.
- The last bill based on the removed analogue meter being based on an incorrect or estimated final meter read.

We trust that these comments are useful. Should you like more specific and detailed case information on any Smart Meter issue or trend, or have any other queries, please contact Justin Stokes, Senior Research and Communications Advisor on (03) 8672 4272.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Cynthia Gebert', with a stylized flourish at the end.

Cynthia Gebert
Energy and Water Ombudsman (Victoria)