# REVIEW OF THE REGULATORY FRAMEWORK FOR METERING

## REFERENCE GROUP

MEETING #2
10 MAY 2021

**Purpose of this document**
AEMC staff have developed this slide pack to inform discussion at the Reference Group. Please note that the thinking and views contained in this paper is indicative and has been developed by AEMC staff for consultation purposes only, and is therefore subject to change.

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# Before we start, an important notice: Compliance with Competition Law

- The Reference Group must not discuss, or reach or give effect to any agreement or understanding which relates to:

  - Pricing

  - Targeting (or not targeting customers)

  - Tendering processes

  - Sharing competitively sensitive information

  - Breaching confidentiality obligations

Each entity must make an independent and unilateral decision about their commercial positions.

# Agenda

1. Introduction

2. What has been achieved so far

3. Sub-reference group summaries

# INTRODUCTION
PROTOCOLS

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# Online Reference Group house keeping

- As you enter the Zoom call, your microphone will be muted. We ask that it remains muted for the majority of the call, except when called upon.

- Video is optional, but having it turned off helps with bandwidth performance and minimises distractions.

- We also ask that you utilise the Q&A function on the side for any questions or comments you may have. There is time allocated for facilitated discussion.

- Be respectful of all participants and the process.

If you would like to ask a question, or make a comment, please use the Q&A function.

# WHAT HAS BEEN ACHIEVED SO FAR?
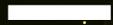
# Four areas of focus

- Informed by submissions
- Keeping an open mind, and starting with what we have now

**Our starting premise**

- Smart meters can
  - deliver benefits to consumers – at both individual level and as a whole
  - support the transition to a more decentralised system.
- A critical mass of smart meters needs to be deployed in order to realise benefits
  - provide equity for all consumers
  - enable the future market.

**Consumer experience**
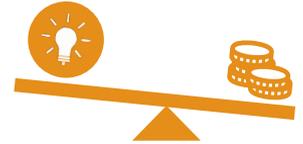
**Metering services**
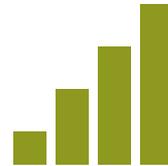
**Roll out**

**Roles & responsibilities**

# There are four sub-reference groups which complement our focus areas

1. **Consumer.** Understanding how consumers want to engage with energy
2. **Installation**
3. **Services and data.** Services that meters can enable and data that meters can provide
4. **Roles, incentives and roll out sub-group.** Overall structure, roles, incentives and the roll out.

Initial meetings held with sub-groups 1-3.

Thank you for all the nominations.



**1. Consumer**



**2. Installation**
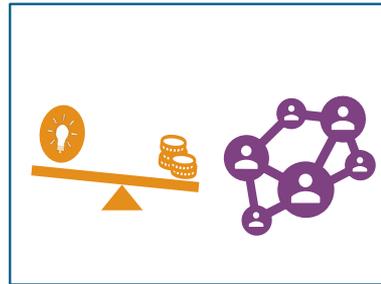


**3. Services and data**



**4. Roles, incentive and roll out**

# SUB-REFERENCE GROUP SUMMARIES

# INSTALLATION

## Journey mapping and understanding the installation process

Sub-Reference Group 2 (27 April 2021)

2. Installation

**AEMC**

# What we are focusing on in the installation subgroup and how

Current focus:

- Journey mapping
  - What are the scenarios for smart meter installation
  - Identify consumer touch points – including their agents

Participants are helping us map process flows for meter installation that is:

- Consumer-led

- Retailer-led

- Meter malfunction / family failure

# An example of what we discussed - meter exchange *without* a connection service
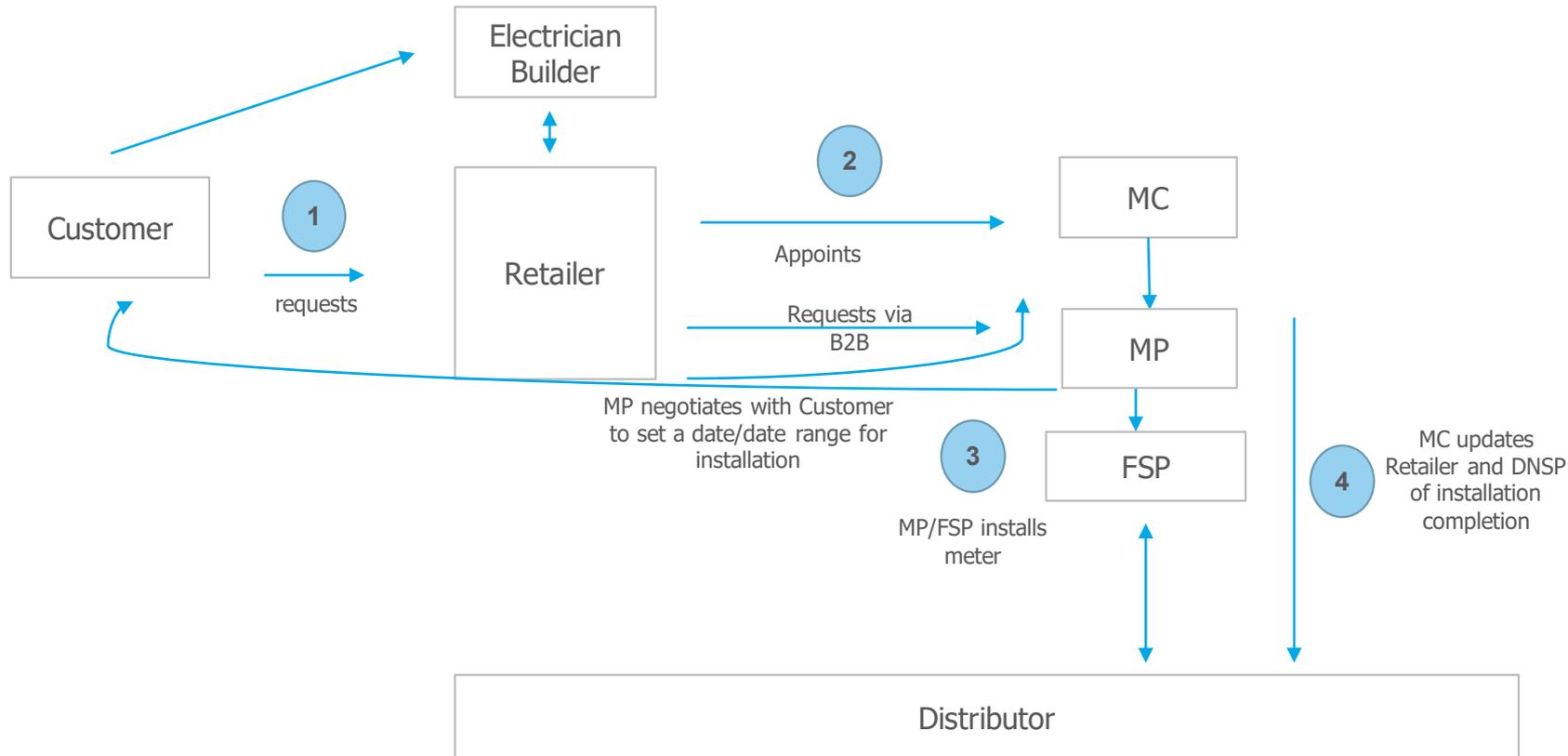
# We will next explore the complications for meter installation scenarios

- Identify barriers/inefficiencies
  - What are the common barriers/inefficiencies across the scenarios such as
    - **Electrical configuration**
    - **Unsafe**
    - **Unable to access/ unable perform work**

- Identify and recommend options

# SERVICES & DATA

## Services & data meters should enable

Sub-Reference Group 3 (4 May 2021)

**3. Services and data**

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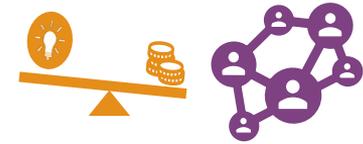
# Meters are here to measure, record, and importantly, enable services and data

In the meeting, we sought clarity on what we want meters to do.

The two main outputs of the session were:

1. What services we want from meters (Slide 15), and

2. What data we want from meters (Slide 16).

As a group, we found that:

- For the most part, meters already can provide and enable the services we want.

- It is more a question of access to, and aligning demand for, services and data.

**3. Services and data**

Now, our focus is on how the framework can improve access to services and data

# Output 1: Participants told us what services meters can enable, outside of MSS

## ADDITIONAL SERVICES WE WANT THAT THE METER COULD ENABLE

- Remote re-energisation and de-energisation
- Consumption patterns and analysis: supporting vulnerable households, visualisations
- Communications interface: information to consumers; with other intelligent electrical devices
- Network planning

- Monitoring supply and phase detection
- Measuring asset performance and behaviour, forecasting
- Remote emergency backstop
- Access to real-time data

- Outages: detection, supply after storms, quicker response
- Tariff options and retail products
- Control of DERs (e.g. solar, BESS/EV, Hot water/loads); multiple functions of different loads, dynamic
- Supporting B2B, eHub functions

- Inquiry services and reports
- Billing cycle options
- Flexible trading models, VPPs/FCAS
- Neutral integrity and cross polarity, overload detection

- Voltage data: interval, overload disconnection
- Energy theft detection
- Validating NMI to transformer data, minimising errors

We think most meters are capable of enabling these additional services…

# Output 2: We discussed what data is wanted that meters could provide

## DATA WE WANT THAT METERS COULD PROVIDE

| | | | |
|---|---|---|---|
| • Usage data: real time and past measurements of generation and consumption | • Low voltage data: 5-min power quality, for additional services and network planning | • Neutral integrity, faulty neutrals | • System status, outages, etc. |
| • Greater granularity of data and potential breakdown into categories | • Site level characteristics | • Data access to authorised third parties, to respond more efficiently | |

…and most meters can provide this data, its more a case of access and availability

# Next time we will discuss what the meters should be providing and enabling

To achieve this we will:

- Have guest presentations detailing:
    - what meters are currently enabling in some jurisdictions, and
    - what current meters could provide given their capabilities and having a critical mass of meters.
- Work through what else, if anything, the meter should be required to provide and enable,
- Determine better access and availability,
- Consider concurrent work and reforms.

Then we will work out what barriers persist, what services and data that a meter could or should provide, to determine draft recommendations in line with our objective.

# CONSUMER EXPERIENCE

## Delivering for consumers

Sub-Reference Group 1 (21 April 2021 & 6 May 2021)

**1. Consumer**

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# Problem statement, objective and principles for the review

The consumer experience sub-reference group developed a problem statement, objective and principles for the metering review.

ACOSS et al.'s problem statement was used as a starting point:

"The framework for metering has created a series of complex relationships with multiple stakeholders that separate responsibility from incentives, benefits and costs. The framework is complicated, with no clear objectives, and has led to metering specifications that are inadequate and metering arrangements that are not efficiently and effectively realising the key potential benefits that metering technology can enable for all consumers."

Their objective was used as a starting point as well:

"To roll out appropriately capable smart metering to consumers in a timely, cost effective and equitable way, and to ensure metering contributes to an efficient energy system capable of maximising the benefits for all consumers."

# The problem statement for the Metering review

The consumer experience sub-reference group agreed on:

"The current metering arrangements are not efficiently and effectively realising the key potential benefits that metering technology can enable for all consumers."

- Focuses on the overarching problem to be resolved.
- Dimensions of the problem statement will be provided in explanatory statements to help provide context.

The consumer experience sub-reference group developed a problem statement for the review

# The final objective for the Metering review

The objective proposed by ACOSS et al., was largely retained with the addition of 'safe'.

"To roll out appropriately capable smart metering to consumers in a timely, cost effective, safe and equitable way, and to ensure metering contributes to an efficient energy system capable of maximising the benefits for all consumers."

- 'Safe' included as the safe roll out was seen as key.
- Components of the objective will be explained.

The consumer experience sub-reference group developed a final objective for the review

# Principles for the Metering review

A slightly revised version of the assessment framework was supported as the principles:

- Transparency (including consumer awareness) and predictability

- Facilitating positive customer outcomes

- Efficient and equitable investment and allocation of risks and costs

- Reducing regulatory and administrative burden

- System integrity – making sure the system is safe, reliable and secure

- Supporting the energy transition and decarbonisation of the electricity grid.

The consumer experience sub-reference group developed principles for the review

# Consultant update

- After completing a competitive tender process with 5 consultants, we selected Newgate Research to carry out the consumer engagement work that will help inform changes to the metering framework.

- An initial meeting has been held between Newgate Research, ECA and the AEMC.

- There is a two-stage approach to the engagement:
  - Stage 1 – finalising the scope of the consumer engagement (now)
  - Stage 2 – carrying out the consumer engagement.

- For the consumer engagement, Newgate Research will carry out a survey, focus groups and in-depth interviews. It might also carry out deliberative forums.

# Consultant engagement focus areas

The areas we have asked the consultant to investigate are:

- How do consumers want to engage with the energy market? What changes to, or new, products and services might they find beneficial?

- Are there any issues that have prevented consumers from engaging with the electricity market how they have wished?

- What do consumers know about smart meters?

- What do consumers consider the benefits and costs of having a smart meter to be?

- For those with smart meters, how do they currently use them?

- What are the main issues or roadblocks that consumers have faced throughout the process of trying to obtain or replace a smart meter (if any)?