AEMC

REVIEW OF THE REGULATORY FRAMEWORK FOR METERING SERVICES

STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in the consultation paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

SUBMITTER DETAILS

ORGANISATION:	ReAmped Energy Pty Ltd
CONTACT NAME:	Eleanor Briggs
EMAIL:	eleanor.briggs@electrickiwi.co.nz
PHONE:	+64225352667
DATE	11 February 2021

PROJECT DETAILS

NAME OF RULE CHANGE:	**Review of the regulatory framework for metering services**
PROJECT CODE:	**EMO0040**
PROPONENT:	**AEMC**
SUBMISSION DUE DATE:	**11 February 2021**

CHAPTER 1 – INTRODUCTION

1. Consideration of other market reforms and related work	
1.1 Are there other significant market reforms that are likely to impact the metering framework that the Commission has not identified?	Not that ReAmped Energy is aware of.
21.2. Is there additional related work that the Commission should consider in this metering review?	
2. **Assessment framework** – Do you agree with the Commission's proposed Assessment Framework for this review? Are there any additional criteria we should consider as a part of this framework?	ReAmped Energy agrees with the Commission's proposed Assessment Framework and has not identified any additional criteria that should be considered.

CHAPTER 3 – THE CURRENT STATE OF METERING

3. Expectations of meter rollout	
3.1 How does the roll out of smart meters to date compare with your expectations?	ReAmped Energy is of the view that roll out of smart meters has been slower than desirable which is detrimental for customers. Whilst as a newer energy retailer, we didn't initially have expectations regarding the roll out, it clear when compared with other jurisdictions, such as Victoria and New Zealand that roll out could be a lot faster.
3.2 Is the current pace of smart meter deployment appropriate? What should be the appropriate pace of rollout?	ReAmped Energy's view is the current pace of smart meter deployment is lower than necessary to support a rapid transition to DER, including VPP, and customers are missing out right now on the tools to better manage their energy bill, such as improved insights on their energy use and flexible tariff options. The appropriate pace should be as fast as a coordinated rollout of smart meters can be. A number of supply chain and logistics issues would need to be resolved for this to occur, however with increased scale should come reduced costs, greater learnings in how to resolve installation issues and ultimately improved customer outcomes.
3.3 What benefits are smart meters providing consumers? Have the benefits changes or improved over time?	Customers on smart meters are able to access accurate billing at intervals that meet their budgetary requirements. Customers that are able to change the way they use energy, or at least the times they use energy, are able to save money by shifting consumption out of peak periods. And, customers are able to make efficient investment decisions into solar, battery, or virtual power plant solutions, as they will have improved insights on how these technologies will lower their energy costs.

3.4 have the prices for smart meters plus the costs of associated products and services changed from the introduction of *Competition in metering?* If so, how?	As a small retailer, ReAmped Energy lacks the ability to provide scale for efficient rollouts and lacks the market power of large retailers in negotiating meter price reductions
4. Are incentives in the right place?	
4.1 Are the incentives in relation to smart meter rollout correct? Please provide details on why/why not.	ReAmped Energy understands the regulatory framework for metering was predicated on the assumption that customers were incentivised to drive smart meter roll out. However, it is clear this approach has been less effective at the driving take up when compared to other jurisdictions. We consider the greatest hurdle to roll out is the comparatively high cost of smart meters when compared to basic meters. Whilst many basic meters are end of life, they require minimal servicing, reducing costs. In contrast, the slower, customer driven, approach to smart meter roll out has meant that efficiencies have not been achieved, increasing costs. We recommend the regulatory framework shifts incentives to instead place the onus on the industry to drive rollout. This is likely to lead to a more coordinated approach through larger scale rollouts which reduce costs and reduce installation hurdles
4.2 Is the current market structure financially viable? If not, for whom is it not financially viable?	It is not commercially viable for a retailer to install a smart meter and expect to recover the investment costs via lower cost-to-serve, product innovation and better customer experience then the answer is the cost/benefit is marginal at best. The benefits of smart meters vs. installation costs (including any unquantifiable disruption to the customer, and additional compliance risk to the retailer) do not currently provide the appropriate payback to customers.
5. Drivers of smart meter roll out	
5.1 What were your expectations regarding the drivers of smart meter rollouts?	Some industry expectations included that meters at end- of-life would be replaced. This has not occurred. Another expectation was that customers would demand smart meters to provide them a way to better manage their energy bill. This has also not occurred (apart from when a customer is investing in DER)
5.2 Has there been any changes in the overall reasons for installing smart meters since the *Competition in metering* rule commenced?	The benefits provided by smart meters haven't changed, however there are greater barriers than was previously identified. Strict rules for deploying smart meters have increased the risks for Retailers. Retailers are at risk of fines for delays to meter installations as well as education of customers and management of customer expectations. Additionally, customers may need to incur costs in relation to work on meter boards (e.g. replacement due to asbestos, or other metering works), that aren't typically identified until the meter provider arrives on site for the meter installation.
5.3 Which parties should be responsible for driving the roll out of smart meters?	A coordinated industry effort is required to drive a smart meter rollout to customers, with coordination of risk management in relation to logistics and the management of customer experience. If allocated to retailers, smaller retailers would be at a considerable disadvantage to larger retailers with stronger negotiating positions with respect to metering prices, the ability to absorb fines for missing metering timeframes, and provision of staff to support a complex transaction with customers.

5.4 Do consumers have clear information on the benefits of smart meters and their rights relating to requesting a smart meter?	While some information is available on the Energy Made Easy website, each network may have different approaches to the tariffs that may be applied to a customer on upgrading their meter. This drives uncertainty for customers as to the benefits of upgrading.
6. **Customer experience** – what are your views on the customer experience in relation to smart meter rollout and installation?	Any customer interaction requiring on-site services such as smart-meter installation has significant risks. Agreement of and adherence to strict quality standards for all parties in a coordinated rollout approach should make the customer experience as seamless as possible. Any initial poor customer experience will increase further customer resistance to uptake.
7. Industry Cooperation	
7.1 Do you have any suggestions on how industry cooperation can be improved?	Creating an incentive for industry to deliver a faster rollout, either by way of requiring all end-of-life basic meters to be replaced within a certain timeframe (e.g. 15 years or older) or adding a subsidy, will drive more cooperation from participants as they search for best commercial outcomes. We also recommend that an even playing field is created, with meter providers providing pricing to the AER that is available to all Retailers rather than individually negotiated supply contracts which benefit larger Retailers with greater negotiating power.
7.2 Are changes to the market structure or roles and responsibilities needed to improve the consumer experience?	Changes are not needed but in a coordinated rollout communication and cooperation between parties needs to meet strict quality standards. As the retailer owns the customer relationship and regulatory risk around delivery timeframes, they bear the majority of the risk and hence should not be liable for the failings of any other party in the process. The appropriate allocation of risk amongst parties should incentivise delivery of a high quality customer experience.
8. Expectations of metering services	
8.1 What expectations did you have around the services that smart meters would provide?	Expectations in relation to smart meter services based on our sister company's experience in New Zealand were: - Removal of bill shock, greatly improving the customer experience. - Reduction in cost to serve from improved optimization of wholesale and trading portfolios and a reduction in required site visits - Greater insights on household or business consumption providing customers with greater control over their energy costs - Enabling customers to make efficient investment decisions into DER technologies which can further reduce customer bills
8.2 What services are being provided by smart meters currently? Are these services widely available?	ReAmped's smart meter customers currently benefit from accurate billing, time-of-use tariffs which incentivise load shifting and the ability to monitor and adjust their usage via an online customer portal (and soon app). The data provided by the smart meter enhances the customer's ability to not only minimise their bills but also emissions via load shifting. We are not aware if these are widely available with other retailers.
8.3 What services did you expect from smart meters which have not eventuated?	Remote re-energisation and de-energisation were some of the key benefits expected that have not materialised in NSW or QLD, although moves are underway to address this.
8.4 Are there any services being provided by smart meters which were not anticipated at	As meter technology develops, additional data points become available. The value of these data points to different parties in the market may not have been determined when the

the time of the *Competition in metering* rule change?	Competition in Metering rule was implemented. There is a risk that some parties may look to leverage their market power to contractually "own" data streams that have not yet come into existence.

CHAPTER 4 – THE FUTURE STATE OF METERING

9. Collection and use of metering data	
9.1 In relation to metering data, what data should be captured by smart meters, and why?	All data which could be leveraged to provide the end consumer better value or service, or be used to manage network constraints appropriately should be captured to deliver maximum value from the data streams. The meters should be installed allowing for completely remote configuration and to allow for on-demand push and pull of data to the premise.
9.2 In relation to metering data, who should be able to access metering data, and how? What protections should be in place?	Any party authorised by a consumer to access the data, where the consumer clearly understands its value, should be able to access this data via a secure online database. Security and privacy safeguards should be in place which meet both minimum legal and regulatory standards, as well as the general expectations of customers.
9.3 What impact do you think the Consumer Data Rights may have on the access to, and use of, metering data?	It is our view that ultimately metering data is owned by the consumer. Timely, secure and accessible methods for sharing this data will generate the greatest overall value of the data to the consumer.
10. Future metering services	
10.1 What is your understanding of the other services that smart meters can provide?	ReAmped Energy considers smart meters as a key building block in the transition to a renewable energy future. Consumption data provided by these meters enables innovation in new services and provides an economic pathway for these services to be deployed to market.
10.2 What future services do you expect or want metering to facilitate?	Real-time on-demand push and pull of data streams.
10.3 If additional services are to be provided by smart meters, how should the costs of providing these services be allocated?	New services should be priced based on the value proposition which can be delivered to consumers. If retailers cannot pass on sufficient service or cost benefits to consumers then any new services won't be viable. New services should be developed in conjunction with consumer propositions
11. Penetration of smart meters required	
11.1 Are particular metering services only cost effective when a particular penetration is achieved? If so, what services and what penetration is required?	ReAmped Energy is of the opinion that all customers should have access to the benefits of smart meters and the current approach is excluding customers unnecessarily.
11.2 What other factors are important in determining whether the provision of particular services are efficient or effective (e.g. geographic spread).	See 11.1.

CHAPTER 5 – ARE CHANGES REQUIRED TO THE REGULATORY FRAMEWORK?

12. Encouraging the adoption of smart meters and future services	
12.1 Is the current regulatory framework appropriate for the current needs of metering and the market? Is it flexible enough to provide encouragement for the development of future services in metering?	As the current framework was predicated on assumptions that have proved incorrect (e.g. customers are sufficiently incentivised to drive rollout, and basic meters will need replacing at end-of-life), ReAmped Energy consider the framework needs to adapt to overcome the known barriers to roll out and improve the commercial viability
12.2 To encourage the higher adoption of smart meters: (a) What changes, if any, need to be made to the current regulatory framework for metering services? (b) What changes, if any, need to be made to other instruments? (e.g. regulatory instruments, guidelines, codes)	We recommend the framework provides incentives to the industry to deliver the upfront investment in smart meters and drive co-ordinated, large scale roll outs which will reduce costs significantly. This approach will ensure that all customers have access to the benefits delivered by smart meters
12.3 Are there any other avenues of encouragement that are available that the Commission has not considered in this paper?	Other measures AEMC could consider include 1. Implementing harder rules in relation to the age of meters in the industry would provide additional impetus for the rollout of smart metering. 2. Investigating whether installation issues, such as asbestos or the need for meter board upgrades, are more significant than seen in other jurisdictions (usually around 5-10%). If so these may need to be addressed via a subsidy for customers hit with out of pocket costs.
13. Barriers to realising the benefits of smart meters	
13.1 Are there other barriers that were not identified by the Commission that you have found to prevent the realisation of benefits of smart meters and/or slowed the rollout of smart meters in the NEM?	ReAmped Energy's view is the key barrier to realising the benefits of smart meters is the lower rollout of these meters in the NEM with compared with other jurisdictions.
13.2 What changes, if any, need to be made to the current regulatory framework for current arrangements to improve deployment?	As above in 12.2
13.3 Are there other tools outside of the regulatory framework that may address some of the current barriers to realising the benefits of smart	As above in 12.3

meters and/or the slower rollout of smart meters in the NEM?	

OTHER COMMENTS

14. Information on additional issues	

REGISTRATION OF INTEREST FOR REFERENCE GROUP

If you are interested in nominating for the Review of the regulatory framework for metering services Reference Group you can email registations@aemc.gov.au or provide details of the person you would like to nominate below:

Name	
Position	
Phone number	
Email address	