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Confidential information has been omitted for the purposes of section 24 of the Australian Energy Market Commission Establishment Act 2004 (SA) and sections 31 and 48 of the National Electricity Law

Submitted via webform: <https://www.aemc.gov.au/contact-us/lodge-submission>

## **Review of the regulatory framework for metering services – Draft Report**

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AGL Energy (AGL) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) 'Review of the regulatory framework for metering services' Draft Report, dated 3 November 2022.

AGL was the first energy retailer to commence the installation of smart meters for its customers in the National Energy Customer Framework jurisdiction, even prior to the 2017 Power of Choice reforms. Through our industry-leading smart meter deployment program, [REDACTED] across NSW, QLD, and SA who are now smart meter enabled. AGL continues to be a strong proponent of the benefits of digitalisation of the metering infrastructure.

AGL commends the AEMC for its continued collaboration and close engagement with industry as part of its Review of Metering Services. We appreciate the opportunity to have been involved in stakeholder working groups and workshops, direct meetings with AEMC staff and to have provided ongoing feedback throughout the consultation process.

AGL welcomes the AEMC's Draft Report, specifically, the suite of proposed reforms that seek to address barriers and inefficiencies in the current smart meter deployment process. However, AGL maintains that improvements to the framework that focus on reducing these barriers and creating incentives for retailers and consumers to install smart meters are sufficient for deployment to organically accelerate. While we acknowledge that not all participants are progressing through the smart meter rollout at pace, we remain concerned that the imposition of a regulated target date and overly burdensome acceleration mechanism, without addressing the underlying operational barriers, will interfere with retailers' existing smart meter plans and processes and is likely to change focus from a customer-driven rollout to a focus on achieving the target without due consideration to consumer impacts. The primary focus of the review should be to remove the operational barriers, including clarity around roles and responsibilities, and assignment of risks and costs to appropriate parties.

### **Costs and Benefits of Accelerating the Rollout of Smart Meters**

We wish to raise matters that we believe have not been adequately considered in the assessment of the 'Benefits of accelerating the rollout of smart meters' report<sup>1</sup>, which attempts to evaluate the net benefits/costs of a regulated target date. We believe the report makes inappropriate assumptions with respect to:

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<sup>1</sup> Oakley Greenwood, 'Costs and Benefits of Accelerating the Rollout of Smart Meters', AEMC review of the Regulatory Framework for Metering Services, September 2022.

- The portion of the cost savings stemming from access to remote services such as remote re-energisation and de-energisation despite these services not being available in QLD and in NSW to any meaningful degree;
- That installation of smart meters will eliminate the need for manual read services, which may not necessarily be the case in all instances such as for customers in remote/rural areas without mobile connectivity. While mobile coverage will expand overtime, it may not be by 2030 so it is inaccurate to quantify smart meter benefits without taking into consideration the significant costs associated with installing smart meters in remote areas; and
- Installation costs may reduce, but not substantially the way Oakley Greenwood believes, due to the dynamic movement of customers between retailers, and the variable timing of retailers changing meters in geographic areas.

### **Jurisdictional requirements for remote re-energisation and de-energisation services**

Jurisdictional requirements remain one of the key barriers to realising the full value of remote services which the AEMC has not adequately addressed as part of this Review. As one of the few retailers with an approved Safety Management Plan to offer remote de-energisation and re-energisations in NSW for smart meter enabled customers, AGL has been attempting to collaborate with NSW Fair Trading to make remote services more accessible through better balancing safety considerations and customer experience. To date, the regulator approach in NSW for remote services is focussed exclusively on safety and is overly complex and restrictive for consumers to access.

This has proven to be a disappointing and difficult experience thus far. Representatives from the NSW Fair Trading are creating unreasonable and disproportionate barriers for Safety Management Plans that do not work in the best interests of consumers and disincentivise retailers from offering these services, while rejecting comparable experiences and processes with smart meters in the Victorian jurisdiction for over 10 years. We also understand that QLD is unlikely to enable remote re-energisation services in its jurisdiction. In order to reap meaningful benefits from smart meters and substantiate the cost-benefit analysis it commissioned, we urge the AEMC to work with jurisdictional authorities to overcome the barriers for remote re-energisation and de-energisations.

Notwithstanding AGL's views on whether or not the costs of accelerating the rollout with a regulated 2030 target have been substantiated by Oakley Greenwood, AGL generally supports the suite of recommendations to address operational issues in the framework. With respect to the most appropriate mechanism for accelerating the roll-out, AGL's preference remains the retailer-led approach, referred to as Option 3 in the Draft Report. We consider that with only a small number of refinements to the proposed Option, such as requiring DNSPs to provide retailers with forecasts and improved visibility over their aged fleet, the retailer-led deployment is the least burdensome and most viable approach. We also believe this approach best matches the risks associated with the rollout to retailers, and therefore, allows retailers to manage risks directly, rather than relying on other market participants to manage these risks.

Alternatively, AGL believes the DNSP-led Legacy Retirement Plan may also be a viable option. However, this approach requires the AEMC to resolve a number of outstanding issues with the process, including the historic challenges of DNSPs being more forthcoming with aged asset metering information.

### **Recommendations to reduce barriers under the smart meter rollout**

Recommendations such as the reduction of retailer-led notice requirements from two to one, the removal of the opt-out provision from the National Energy Retail Rules (NERR) and the customer entitlement to request a meter for any reason, are sensible and necessary for an accelerated roll-out. Other proposed reforms such as the customer defect notification process and the 'one-in-all-in' approach will need to be refined further and

the proposed processes improved before being operationalised, preferably by handing over to industry to work out the specifications.

AGL does not support the AEMC's proposal relating to the tariff reassignment component of meter upgrades. We articulate our reasoning further in the document below.

AGL has reservations about the new meter failure timeframes. While 15 business days to replace individual meter failures is reasonable, 70 business days to address family failures may not always be achievable, especially if the AEMC elects to remove the AEMO exemption process, as meter families be in the tens of thousands across the NEM. AGL notes that a family failure simply means the meter is safe to use but *may* not be measuring energy as accurately as it should. AGL does not see this as a viable or sustainable recommendation for a process that is likely to be impacted by a number of contingencies outside of the control of the retailer and metering parties, including:

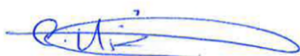
- the vast volume of sites that are received from DNSPs as part of the family failure notification process;
- high percentage of sites with a shared supply;
- defective and no access sites; and
- instances where the process begins with one retailer but is transferred to another (customer churn).

AGL's recommendation is that the exchange of family failures be subject to a 120-business day replacement timeframe while retaining an exemption process for exceptional circumstances or expanding the proposed customer defect notification process to include customer refusal, no access and extreme weather events.

We address the individual recommendations and respond to the consultation questions in the attached document.

If you would like to discuss any aspect of AGL's submission please contact Valeriya Kalpakidis, Regulatory Strategy Manager at [vkalpakidis@agl.com.au](mailto:vkalpakidis@agl.com.au).

Yours sincerely



Con Hristodoulidis

Senior Manager, Regulatory Strategy

**AGL Energy**

## Question

## AGL Comment

### Question 1: Implementation of the acceleration target

(a)

Do stakeholders consider an acceleration target of universal uptake by 2030 to be appropriate?

Subject to the AEMC solving for barriers prevalent in the smart meter rollout associated with chronic no access sites, defective sites, customer refusal and shared fusing, AGL's smart meter deployment program is progressing steadily towards universal and timely uptake for our electricity customers in the NECF states.

AGL maintains that a regulated target would not be necessary in a framework where these barriers are efficiently addressed, government subsidy schemes for vulnerable customers to rectify defects implemented, and incentives created for retailers to progress the smart meter deployment.

While AGL is currently well-positioned to meet the proposed target, there is a risk that regulatory intervention in the form of new, undefined processes such as those proposed under the DNSP-led Legacy Retirement Plan or Regulated Retirement Plan, could hamstring the pace of our smart meter deployment program. This is because central operational issues around the new mechanism, including questions about DNSP engagement with stakeholders, frequency, and volume at which we receive information from DNSPs and further detail on how different participants with different incentives will effectively collaborate to operationalise these processes, could take some years to refine.

It is important that the AEMC develop a pragmatic universal penetration target rather than implementing a completion date that may set the industry up for failure if operational issues with the rollout are not prioritised and rectified.

Importantly, the AEMC will need to consider whether the proposed 2030 rollout completion date could be realistically achieved, given the legislative change process would be no earlier than 2025. This means that retailers will not have the benefit of the recommendations made in the Draft Report to remove barriers and address complexities in the process until much later and then have only five years to complete the rollout. AGL is not convinced that the case for this timeline has been substantiated and that the Oakley Greenwood report accurately captures the costs that consumers will bear to bring forward investment at this pace, especially where customers are locked out of realising the key benefits such as remote re-energisation and de-energisation services in NSW and QLD.

The longer it takes to codify the target, the less time available to achieve that target and therefore the longer it takes to address operational barriers to the rollout, likely leading to unintended consequences where market participants focus on achieving the target at the expense of the customer experience.

AGL's preference is that the AEMC puts its energy into focussing on rectifying the operational barriers, this would best complement, and support current roll out plans and is likely to achieve a faster rollout while also focussing on providing a positive customer experience.

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(b)	Should there be an interim target(s) to reach the completion target date?	AGL does not support setting interim targets, particularly if the AEMC elects the DNSP-led Legacy Retirement Plan as its preferred acceleration mechanism which will largely determine the volume and frequency at which meters are replaced.
(c)	What acceleration and/or interim target(s) are appropriate?	See AGL's response above.
(d)	Should the acceleration target be set under the national or jurisdictional frameworks?	The AEMC may consider codifying the acceleration target under the National Energy Retail Laws/Rules, however, this should not be left to jurisdictional frameworks in order to avoid fragmentation and states going at it in a piecemeal approach. Notwithstanding, the AEMC will need to consider if codification under the Laws is an appropriate and flexible approach should the industry require an extension to achieve universal penetration of smart meters.

**Question 2: Legacy Meter Retirement Plan**

(a)	Do stakeholders consider this approach feasible and appropriate for accelerating the deployment of smart meters?	<p>AGL believes the DNSP-led Legacy Meter Retirement Plan is a second-best option.</p> <p>If the AEMC nominates this as their preferred approach, there are a number of matters that will need addressing to make this approach feasible, without substantially increasing administrative burdens and costs.</p>
(b)	Do stakeholders consider the Commission's initial principles guiding the development of the Plan appropriate? Are there other principles or considerations that should be included?	<p>Generally, AGL supports the proposed principles, but we are uncertain as to the practical degree to which they will help to facilitate a smooth and cohesive implementation process.</p> <p>It is AGL's view that the principles should include how DNSPs will offer ongoing support, information and resources to retailers and metering parties during the accelerated roll out. This principle is acceleration mechanism-agnostic.</p> <p>The AEMC will appreciate that such a complex, multi-party process will require more than simply developing an annual Plan or list and then handing it over to retailers to implement. Further, priority areas for smart meter replacement may differ from retailer to retailer, therefore, it is important that DNSPs work to develop a reasonable and actionable Legacy Meter Retirement Plan that sets up the accelerated smart meter rollout for success. For example, DNSPs should not develop an annual Plan that includes a disproportionate concentration of sites with known chronic access issues and defects. Equally, plans which have geographic loci may be more efficient as resources can be concentrated in a smaller area, rather than having substantial travel times.</p>

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		<p>AGL's recommendation is that only key components of the DNSP-led Legacy Retirement Plan Option are codified in the NERR/NERL/NEL, such how DNSPs are to engage with stakeholders in developing the plans, and when they should be delivered to retailers.</p>
(c)	<p>If this option is adopted, what level of detail should be included in the regulatory framework to guide its implementation?</p>	<p>Operational details such as the process through which these Plans will be delivered (e.g., through the existing Meter Fault Notification process) and volume and frequency, should be developed by industry as a whole through industry working groups allowing it to be more flexible and easier to amend as needs change.</p> <p>The AEMC should allow for a degree of flexibility for DNSPs and retailers to determine aspects of their Legacy Retirement Plan on a bilateral basis, where appropriate and necessary. For example, this could include agreeing to exclude sites from the DNSP Legacy Meter Retirement Plan which have already been nominated by the retailer for their retailer-led deployment program.</p>
(d)	<p>Do stakeholders consider a 12-month time frame to replace retired meters appropriate? Should it be longer or shorter?</p>	<p>At this early stage, it is difficult to conceptualise whether 12 months will be an appropriate period of time to replace the full list of retired meters, particularly where the volume of NMIs that each retailer will receive is unknown. It is important that this process remains flexible so that, if the initial timeframe is not suitable, it can subsequently be amended.</p> <p>AGL recommends that while indicative targets may be in place, a more useful metric is a rolling percentage that accommodates externalities and is considered over a longer period or a rolling period.</p>
(e)	<p>Are there aspects of this approach that need further consideration, and should any changes be made to make it more effective?</p>	<p>AGL considers that the following matters will need to be addressed without delay if the AEMC intends to elect Option 1 as the preferred acceleration mechanism:</p> <ul style="list-style-type: none"><li>▪ How the Legacy Meter Retirement Plan will account for customer churn between retailers, Retailer of Last Resort events and natural disasters, and whether there is merit in DNSPs periodically revising each annual Retirement Plan (for example, on a 3-month basis) to address these and other extenuating circumstances.</li><li>▪ How the AER and AEMC intend to address capital costs recovery, i.e., that it should be removed from this process otherwise it will add an additional layer of costs to consumers – an outcome that the initial Power of Choice reforms intended to avoid. We note that throughout the stakeholder engagement period, AEMC had raised plans to work with the AER to address the double annuity costs, but no further details have been provided in the Draft Report.</li><li>▪ How the AEMC will ensure each retailer is allocated a fair and reasonable workload, including the opportunity to stagger out volumes or defer time for a consistent flow. There are six electricity distributors across the</li></ul>

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regions in which AGL operates and given our share of the market, there is a risk we could end up very significant volume of meters to replace in a short period of time, which may not be achievable or sustainable. The AEMC should consider setting a reasonable limit on the workload and costs.

- AGL appreciates that the process of procuring individual retailer sign-off for each Legacy Meter Retirement Plan may be burdensome and could compromise the timeliness of delivery of the plan. However, it is AGL's recommendation that a dispute resolution or mediation mechanism through the AER or AEMO is made available to parties to resolve issues with the Plan, where other avenues have failed.
- AGL recommends leveraging existing processes and architecture such as the existing Meter Fault Notification process as a means for retailers to receive Retirement Legacy Plans to avoid significant and unnecessary IT build costs and development of new B2B processes.

### Question 3: Legacy Meter Retirement through Rules or Guidelines

(a) Do stakeholders consider option 2 feasible and appropriate for accelerating the deployment of smart meters? Are there aspects of option 2 that would benefit from further consideration?

AGL does not support Option 2 that prescribes the Legacy Meter Retirement requirements through the Rules or Guidelines and that is administered by a market body such as the AER or AEMO.

AGL sees little merit in this approach over Option 3 or Option 1 and anticipate this approach may be too rigid and difficult to amend once the accelerated rollout commences and new insights and industry knowledge come to light that may require subsequent changes.

Given that the industry will be in a period of trialling and testing the mechanics of the accelerated approach, flexibility to change and adapt should be allowed while keeping prescriptive regulatory detail to a minimum, as outlined under our Question 2 response.

(b) Are market bodies the appropriate parties to set out the legacy meter retirement schedule?

Retailers, DNSPs and MCs have the industry knowledge, data and expertise with respect to basic and smart meters and are therefore better positioned to understand and operationalise legacy meter retirement schedules.

Market bodies such as the AER and AEMO are well-placed to support industry stakeholders and processes to ensure that parties are working together cohesively and communicating effectively in an accelerated rollout.

(c) If option 2 is adopted, should the meter retirement schedule be

N/A

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located in the rules, or guidelines developed by the AER or AEMO?

### Question 4: Retailer Target

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| (a) | <p>Do stakeholders consider option 3 is feasible and appropriate for accelerating the deployment of smart meters? Are there aspects of option 3 that need further consideration?</p>               | <p>The Retailer Target remains AGL's preferred acceleration mechanism.</p> <p>We believe this option best complements retailers' existing rollout programs and upholds the original principles of the Power of Choice reforms that customers benefit from competition in the market and are not forced to bear excessive and avoidable smart meter rollout costs.</p> <p>In AGL's view, this is the least costs approach, and with only a minimum number of regulatory changes, we consider it could be the most efficient means to achieve the universal uptake target.</p>  |
| (b) | <p>If this option is adopted, what are stakeholders' suggestion on how retail market dynamics could be taken into consideration in both setting the uptake targets and monitoring performance?</p> | <p>To further complement the Retailer Target approach AGL recommends that DNSPs be required to assist with relevant information. The AEMC will be aware that retailers already experience barriers in procuring the short and medium-term forecasts of replacement volumes and aged asset replacement data from DNSPs. While we may receive a bulk list via the Meter Malfunction Notification process, these are sent by DNSPs sporadically and at their discretion, which prevents retailers from efficiently planning, forecasting, and budgeting for their smart meter deployment program. This continues to be one of the main factors limiting the pace of the smart meter program.</p> <p>At a minimum, the NERR/NERL should require DNSPs to provide up-to-date forecasts and aged meter asset lists, in a timely manner, on a co-ordinated and regular basis, and in the preferred format for retailers. This minor improvement will have a substantial effect on the speed of the rollout of smart meters in the NECF states.</p> |
| (c) | <p>Should the rules or a guideline outline only a high-level target (universal uptake by 2030 taking into account practicality of</p>  | <p>It is AGL's view that, if implementing a universal uptake target, retailers should be allowed to develop and progress the meter replacement programs at their own pace which is suitable and sustainable for their operations, provided that the target is reached by the overarching regulated date.</p> <p>The AEMC and AER can monitor this progress through performance reporting indicators.</p> <p>If this Option were to be adopted, a high-level universal target would be appropriate and allow sufficient flexibility for retailers to work with metering parties to operationalise the target in a manner that aligns with their resources, capabilities, and priorities.</p>   |



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replacements) or more granular targets or interim targets?

### Question 5: Stakeholders' preferred mechanism to accelerate the smart meter deployment

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| (a) | What is the preferred mechanism to accelerate smart meter deployment?   | AGL's preferred mechanism to accelerate the rollout is Option 3 – Retailer Target<br>A second-best option would be a well-designed DNSP-led Legacy Retirement Meter Plan approach provided that the AEMC addresses industry concerns, including those raised in our responses above.   |
| (b) | What are stakeholders' views on the feasibility of each of the options as a mechanism to accelerate deployment and reach the acceleration target? | AGL understands that there is general consensus among industry participants that Option 4 – MC-led deployment is the least viable of the options presented and, as MCs were not part of the original market design, it would require a substantial restructure of the current regulatory framework.<br>Similarly, we do not support Option 2 – Legacy Meter Retirement through Rules or Guidelines as it does not complement existing deployment programs and we do not believe it would increase efficiencies in the process. |
| (c) | Are there other high-level approaches to accelerating the deployment that should be considered?   | AGL believes the AEMC has throughout this consultation identified the main acceleration levers for deployment of smart meters.   |

### Question 6: No explicit opt-out provision

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| (a) | Do stakeholders have any feedback on the proposal to remove the opt-out provision for both a programmed deployment and retailer-led deployment?<br><br><i>Confidential information has been omitted for the purposes of section 24 of the Australian Energy Market Commission Establishment Act 2004 (SA) and sections 31 and 48 of the National Electricity Law</i> | In our previous submission to the AEMC's Review of Metering Services Issues Paper, AGL did not support the removal of opt-out rights for consumers. [REDACTED]<br>[REDACTED] However it is important to consider that sites where customers do opt-out will often self-correct over time such as when the customer churns, seeks to install CER assets or participate in AGL's behavioural demand-response programs which require a smart meter to unlock new benefits and incentives.<br>In the context of an accelerated rollout with a regulated target date, AGL agrees that it will be necessary to address the aspect of customer opt-outs to achieve the universal uptake by target date. We support AEMC's assessment that further opt-out provisions should not be introduced with subsequent rule changes relating to the smart meter program. |
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AGL's recommendation for the avoidance of any doubt, is that it should be made explicit in the NERR that customers cannot opt-out of retirement plan-based deployment or retailer-led deployment.

(b) Are there any unintended consequences that may arise from such an approach?

We see a clear role for the AEMC and other market/government bodies to make consumers aware of the regulated universal uptake target, including the removal of the opt-out provisions while continuing to educate consumers to promote acceptance for smart meters. It should not be incumbent on retailers to be the only party that informs customers of a mandatory smart meter rollout program as this should be the primary role of credible government agencies.

### Question 7: Removal of the option to disable remote access

Do stakeholders consider it appropriate to remove the option to disable remote meter access under acceleration?

(a)

Although AGL understands the rationale behind removing the right to disable remote access, this comes with implications for customers, staff of retailers and attending technicians, particularly where the customer cites health reasons for rejecting a smart meter upgrade or is vehemently opposed to smart meters. If the AEMC proposes to remove opt-out provisions, it will need to retain a mechanism to cater for such circumstances.

The AEMC will need to carefully consider how best to approach scenarios where customers categorically oppose the installation of a smart meter at their premises. This is a sensitive topic and AGL believes that the framework should retain an avenue for supporting this customer cohort, including retaining the option to disable remote access/communication in the smart meter, and/or expanding the customer defects notification process to include 'customer refusal'.

For example, while AGL provides educational material and other information to customers on the benefits of smart meters and may even offer an incentive for the customer not to opt-out or disable remote communication, there is still a portion of customers who insist on disabling remote communication if they already have a smart meter installed.

The AEMC will need to approach this from the customer experience and agency perspective and consider the issues this may cause for technicians actioning the meter replacement. AGL is aware of instances of altercations and police intervention where customers have been forced to install a smart meter. This process can also be distressing for frontline agents handling the customer's request where they have no avenue to resolve the matter.

Retaining the option to disable communications for customers, at the least, will allow retailers to install a smart meter and the remote access can be turned on a later stage, for example if the customer moves premises.

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### Question 8: Process to encourage customers to remediate site defects and track sites that need remediation

Do you consider the proposed arrangements for notifying customers and record keeping of site defects would enable better management of site defects?

(a)

AGL supports the new customer defect notification and recordkeeping process in principle.

However, there are a number of outstanding issues we believe will need to be resolved to ensure minimal administrative burdens are imposed on retailers as part of this process. Particularly noting that it may not be feasible for retailers to implement the customer defect notification process as a manual process given potential volumes and the existing set up of IT systems. Further, as an outcome of customer and MC churn, this information needs to be stored centrally so that it is available to any new retailer or MC following customer churn.

First, we recommend that an industry agreed process be developed to record the defects in MSATS (e.g., B2M transaction such as a change request where the values to be populated are enumerated so that it can be automated). There should also be a process to ensure that the defect information is automatically made redundant once the network meter is replaced. AGL believes that retailers are not the most appropriate party to manage updates to MSATS upon site defect rectification and that industry trials and pilots should be undertaken to determine how to optimise efficiencies in this process as soon as possible.

The AEMC will need to solve for instances where the customer churns from the moment that the process commences. If the recording in MSATS happens at the end of the process, retailers will have no access to the churned customer's NMI on MSATS to change information and are prohibited from contacting the customer as they are no longer the Financially Responsible Market Participant (FRMP). Any defects discovered at the customer's site should be immediately recorded on MSATS and preferably, the process be developed in a way that supports B2M such as through an automated CR.

We strongly recommend that the AEMC work with industry to develop the process and transactions to work efficiently and allow for flexibility.

Second, this process should be expanded to include 'no access' and 'customer refusal' categories, or these categories themselves should be classed as defects for the purposes of reaching the regulated target.

Third, the AEMC will need to be clear on the treatment of acquired sites where two notices have already been issued by another retailer. If DNSPs automatically send a new Meter Fault Notification because there is a change in FRMP, would the new retailer be required reattempt and restart the meter exchange process based on the reason for the defect? This component should be under the control of DNSPs and Meter Fault Notifications issued only where the meter upgrade can be re-attempted.

Lastly, where the customer has corrected the initial defect, given constraints with resourcing and MC availability it may not always be feasible for the retailer to progress the meter upgrade based on the original timeframe, especially where the defect rectification happens some months later. Retailers plan their deployment schedule many months in

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advance and if one site has been identified as defective, retailers will often replace these jobs with another to ensure continuity and upkeep a consistent, steady workflow. Retailers may not have the capacity to progress the rectified sites in line with the original timeframe. Given that each meter replacement has strict regulated timeframes (new connections, family failures, individual failures, commenced retailer-initiated), invariably one job or another will need to be pushed out to accommodate for the original metering installation. AGL recommends that the AEMC require that retailers use their best endeavours to progress the meter upgrade based on the original timeframe, or as soon as practicably possible.

### Question 9: Implementation of the 'One-in-all-in' approach

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| (a) | Would the proposed 'one-in-all-in' approach improve coordination among market participants and the installation process in multi-occupancy sites? | <p>AGL's supports the AEMC seeking a solution to overcome one of the biggest barriers to the speed of the smart meter rollout.</p> <p>We support the 'one-in-all-in' concept. However, we would like to offer possible refinements which we believe will improve the efficacy of the approach and we also support the AEMC undertaking industry trials/pilots for complex metering arrangements as such trials can improve the installation process in such cases, such as multi-occupancy sites.</p>  |
| (b) | Are the time frames placed on each market participant appropriate for a successful installation process of smart meters?                          | <p>Questions relating to appropriateness of the timeframes placed on each market participant can only be demonstrated and addressed through industry pilots during the crucial formative stage of the process. We recommend that the AEMC commence industry trials with key market participants without delay as this will provide important insights and guidance on whether the approach is operationally viable.</p> <p>In our preliminary view, based on AGL's experience with shared fuse sites, the timeframes may not be adequate to successfully complete smart meter upgrades in circumstances where there are site defects (such as the size of the meter board). However, exactly what timeframes are feasible remains to be tested. Further, shared fusing multi-occupancy installations are largely contingent on resourcing, availability, and timing on the part of DNSPs so it would be appropriate for the DNSPs to be nominated as the main coordinating party in the one-in-all-in approach and for the management of the timeframes.</p> |
| (c) | Are there any unforeseen circumstances or issues in the proposed installation process flow and time frames?                                       | <p>AGL recommends the AEMC consider the following unforeseen circumstances or issues prior to releasing the Final Report:</p> <ul style="list-style-type: none"><li>▪ How will individual sites within the multi-occupancy residence be regarded where:<ul style="list-style-type: none"><li>- it is de-energised or inactive with no customer on site;</li><li>- there is no access;</li><li>- there are defects that require remediation works to be undertaken;</li></ul></li></ul>   |

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- the customer elects to opt-out or opposes an installation of a smart meter?

Industry needs further clarification as to whether AEMC considers this as an 'all-or-none' scenario, and whether the AEMC anticipates that coordinated jobs would be aborted if one or more sites are not ready or suitable?

- In circumstances where a defective meter board is identified, the Retailer/MC who has the relationship with the Owners Corporation should be responsible for the customer defect notification process outlined in Part B.4 of the Draft Report. In these scenarios, the Owners Corporation is the only party that can arrange a switchboard replacement.
- The current Planned Interruption Communication regulations require that customers who are registered as having life support equipment at their premises must receive a written communication even where consent is captured during a phone interaction. Under clause 124B(1)(e) of the NERR, the retailer must issue a letter outlining to the customer the expected time and duration of the retailer planned interruption and specify a 24-hour telephone number for enquiries (the charge for which is no more than the cost of a local call). The AEMC will need to consider how this requirement will impact each party's allocated timeframe under the 'one-in-all-in' approach and the timeliness of the installation. As this is a 'Coordinated Planned Interruption', rather than a strictly 'Retailer Planned Interruption', we recommend an alternative process for life support customers, that allows greater flexibility, for example by sending this information via SMS or communicating it directly to the customer during a phone interaction.
- While AGL understands the AEMC intention for this process is to address large, complex sites, shared fusing multi-occupancy sites could also include duplexes and small unit complexes. The AEMC will need to consider whether this approach is appropriate or too cumbersome for smaller meter upgrade works with shared fusing
- In the Final Report and subsequent rule changes, the AEMC will need to make clear that the 'one-in-all-in' approach applies only to network meters and not to MC meters.

(d)

How should DNSPs recover costs of temporary isolation of group supply from all retailers?

One such way that the AEMC could address this aspect is by working with the AER to remove the costs of temporary isolation from the DNSP ancillary charge (service order charge) and instead incorporate it in the DNSP annual tariff structure review to socialise or smear the costs amongst the NECF electricity customer base. This may, however, raise issues around equity where all customers have to pay for a service required by only a select few customers.

## Question

## AGL Comment

(e) Can the proposed role of the DNSP in the one-in-all-in approach be accommodated by the existing temporary isolation network ancillary services?

See AGL's response above.

(f) Which party should be responsible for sending the PIN in the context of the one-in-all-in approach?

It is AGL view that, as the interruption is being managed by the DNSP, Planned Interruption Notices and any other related communications must also be managed through the DNSP (as multiple retail customers are involved) rather than individual retailers. This is no different to the DNSP undertaking works for any other party (e.g., road widening) which require a supply interruption.

### Question 10: Strengthening information provision to customers

(a) Do you have any feedback on the minimum content requirements of the information notices that are to be provided by retailers prior to customers prior to a meter deployment?

While AGL supports the principle that consumers should be empowered with information that is meaningful and relevant to their circumstances, it does not always translate to greater acceptance of smart meters. We address some of the individual elements of the new proposed requirements below:

- *How the customer can access their smart meter data:* Not all customers are digitally enabled, and each retailer may have different platforms, apps and products that track usage and meter data. This component is better addressed through the proposed smart energy website and treated as retailer agnostic.
- *The customer's rights and responsibilities regarding the meter installation (including remediation work):* While retailers can provide high-level information to the customer, we believe detailed information on the rights and responsibilities of tenants/landlords and Owners Corporations is best addressed by the government managed Smart Energy Website.
- *Any changes to the consumer's retail contract resulting from the meter installation, including tariff changes (if applicable):* Retailers often do not have visibility over network tariff changes until after the meter is upgraded.

(b) Are there any unintended consequences which may arise from such an approach?

Below, we provide feedback on the proposed additional information requirements and how this may interact with existing notices and communications already sent by retailers as part of the smart meter installation process:

- For sites that are part of a retailer-led deployment program, customers already receive sufficient information about the meter exchange process and its impacts on the customer via the opt-out letters, so this information may be duplicative under this scenario.

## Question

## AGL Comment

- With respect to family failure and individual meter fault replacements, the customer receives the Planned Interruption Letter, which we believe in these circumstances is sufficient to action the replacement of the faulty meter. In this context, inundating the customer with more information than is necessary may have the unintended consequence of the customer trying to opt-out or refusing the exchange while their meter remains malfunctioning/non-compliant. Apart from the potential negative customer impacts, we anticipate a substantial operational challenge in sending notices with the additional proposed information as the 'faults' (via Meter Fault Notification transaction) process is almost wholly automated. There will be a significant cost involved to develop a solution as well as ongoing costs to cater for this new notice.
- For new metering connections, retailers are required to install a smart meter within 6 business days of the completion of the connection supply work for new connections and within 15 business days under the customer-initiated meter exchange process. We also have an obligation to notify customers of these timeframes. Customers are unlikely to find the additional information necessary or useful since the meter installation is initiated by them. They require a digital meter to be installed because they are either building a house or are installing solar panels. Our preference is to keep the existing 6/15BD timing obligations and notice requirements under the National Electricity Rules.
- Additional content requirements and length of information limits the ability of retailers to utilise other communication methods such as SMS, which customers respond positively to as a method of communication throughout the meter exchange process.
- Retailers may be unable to utilise existing Planned Interruption Communications due to the timing of the process (often these notices are sent so they arrive no later than 4 business days prior to the interruption) as well as leveraging other communication methods such as SMS. It is AGL's preference that this flexibility is retained which may be difficult to reconcile with the additional information requirements as the letter may need to be sent no earlier than 10 business days prior to the meter installation, creating further challenges with coordination of different parties, and accuracy of projected timing. Further, new connections do not receive a Planned Interruption Communication and will therefore require the development of a standalone letter to fulfil this requirement. Given the nature of the meter installation, it would not serve to improve customer comprehension or acceptance of smart meters.
- We understand that the additional information requirements are intended to foster greater acceptance for smart meters. However, consumers do not appreciate lengthy information or multiple communications; some may even find it overwhelming. The AEMC will need to balance these aspects against the operational costs and challenges involved in implementation, noting that retailers already send detailed information to customers.

## Question

## AGL Comment

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| (c) | Which party is best positioned to develop and maintain the smart energy website? | We believe that the smart energy website should be a collaboration or joint effort between the AEMC, the AER and the Department of Climate Change, Energy, Environment and Water. Peak industry associations including the Australian Energy Council, the Competitive Metering Industry Group and Energy Networks Australia may be well placed to provide information and guidance to support the development of the smart energy website. |
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### Question 11: Supporting metering upgrades on customer request

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| (a) | Do stakeholders support the proposed approach to enabling customers to receive smart meter upgrades on request? | <p>AGL supports the customer entitlement to request a smart meter upgrade.</p> <p>This has been a fundamental component of AGL's smart meter rollout program since its inception as we believe it empowers customers to engage with the energy market and fosters a positive relationship between consumers and the energy retail industry.</p> |
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### Question 12: Tariff assignment policy under an accelerated smart meter deployment

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| (a) | Which of the three options put forward by AEMC options best promotes the NEO? | AGL's preference is the 'No Change' option to maintain the current framework. It is critical that retailers retain discretion over whether to pass on the network tariffs to consumers post-meter upgrade, even if the network tariff component is deferred for a period of 12 months. |
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| (b) | Under options 1 or 2, should the tariff assignment policy apply to all meter exchanges; and the network and/or retail tariff? | <p>AGL does not support a transitional period or similar transitional arrangements that limit the ability of retailers to determine when and how to pass on the network tariff.</p> <p>We consider that a transitional period for either the network component or retail component (or both) only defers the problem to a later stage. We do not envision that this recommendation will foster greater acceptance for customers and, if the tariff changes 12-month post-meter exchange, customers will lose logical connection to the original event likely leading to confusion, dissatisfaction, and a poorer customer experience than if the reassignment happens at the onset. The proposed communication and energy web portal program discussed above will play a critical role in educating consumers of the role of network and retail pricing.</p> <p>Further, from an operational perspective, a 12-month deferral to the network and retail tariff component create complexities with respect to ongoing monitoring and correspondence with customers which we anticipate will require bespoke solutions and further development of IT systems.</p> |
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## Question

## AGL Comment

- (c) What other complementary measures (in addition to those discussed above) could be applied to strengthen the current framework?

N/A

### Questions 13-15: Power Quality Data

AGL supports the beneficiary pays model for DNSPs and other market parties who wish to access basic Power Quality Data.

Should the AEMC elect to develop a framework that gives DNSPs free access, then it would only be fair and equitable that other parties, who may find the data valuable to their operations are also given a comparable level of access as DNSPs on the same terms and conditions. However, this creates issues around which market party will bear responsibility for building out infrastructure to support access to Power Quality Data at scale.

AGL would also like to see the value that DNSPs place on such data and the planned long-term benefits to end users (including improved network efficiency and the long-term reduction in network charges).

### Question 16: Regulatory measures to enable innovation in remote access to real time data

- (a) Do stakeholders support the Commission pursuing enabling regulatory measures for remote access to near real-time data?

While AGL supports the concept as a complementary initiative alongside the other recommendations in the Draft Report, we do not believe it should be imposed as regulated obligations.

Customers who wish to access their data in 'real time' or near real time (which the AEMC is yet to define), already have the means to do so, while it would not be fair that all customers wear the cost to support a service that would be accessed by a select few. The AEMC needs to be pragmatic about the volume of customers that would access this data, particularly on an ongoing basis to justify the vast infrastructure costs of building and developing the architecture at the onset to support this as well as the ongoing, annual costs. AGL's own experience with real time data provision as part of our ARENA funded Demand Response Trial identified that real time data does not lead to

Question	AGL Comment
	substantially different changes to consumer behaviour with respect to demand response programs but the costs of providing real time data is significantly higher than current meter data sharing arrangements. <sup>2</sup>
(b) If so, could the Commission adapt the current metering data provision procedures?	N/A
(c) Are there any standards the Commission would need to consider for remote access? E.g., IEEE2030.5, CSIP-AUS, SunSpec Modbus, or other standards that enable 'bring your own device' access.	N/A
(d) What are the new and specific costs that would arise from these options and are they likely to be material?  <small>Confidential information has been omitted for the purposes of section 24 of the Australian Energy Market Commission Establishment Act 2004 (SA) and sections 31 and 48 of the National Electricity Law</small>	<ul style="list-style-type: none"> <li>▪ Initial development costs, including building of IT infrastructure and API to support instantaneous data access at scale, as well as any changes required to enterprise billing and customer management systems.</li> <li>▪ Costs for accessing data from MCs, which vary between each MC [REDACTED]. Continuous real-time data would be expected to be significantly higher and place a substantial burden on the market communications infrastructure.</li> <li>▪ Additional ongoing costs for data transfer and data storage.</li> </ul>

**Question 17: regulatory measures to enable innovation in local access to real-time data sooner**

(a) Do stakeholders support the Commission considering regulatory measures for local access to near real-time data?	<p>AGL does not see merit or long-term benefits in the AEMC’s proposal to implement regulatory measures for local access to near real-time data. For customers who have an appetite to utilise this type of functionality, there are products in the market that make it accessible and available. In AGL’s extensive experience with the smart meter rollout we have seen little, if any, demand for this type of service from customers. It also raises questions around:</p> <ul style="list-style-type: none"> <li>▪ The type of device, the availability for retailers/metering parties to procure this device at scale, and the minimum capabilities of said device.</li> </ul>
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<sup>2</sup> See final [AGL Demand Response Knowledge Sharing Report](#), May 2021.

## Question

## AGL Comment

- The implications for the existing fleet of smart meters that have already been installed.
  - Whether MC's will need to establish a new communication channel direct to the customer's device and how that will impact the overall costs to consumers associated with this proposal.
  - Costs and effort associated with reconciling real time data and that which is provided by Meter Data Providers used for billing purposes
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