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AEMC Review of Metering Services – Directions Paper

AGL Energy (AGL) welcomes the opportunity to provide feedback on the Australian Energy Market Commission (AEMC) Review of Metering Services Directions Paper, dated 16 September 2021. [REDACTED]

AGL continues to be a vocal proponent of the competitive smart meter roll out and the unique role of smart meters in the transformation of the Australian energy system. We are pleased with the progress of ongoing multi-party dialogue facilitated by the AEMC through which the industry continues to identify practical ways to optimise the smart meter roll out across the NEM. AGL has worked closely with the AEMC and industry stakeholders through sub-reference groups, direct engagement with the AEMC team and continued feedback during the consultation period. We hope that this policy review will lead to improvements in the regulatory framework to better support competitive metering and put measures in place that can overcome pronounced barriers in the smart meter roll out, such as:

- Physical issues preventing the installation of a smart meter at the customer's premises where a lack of a viable solution to this issue will exacerbate inequitable outcomes in smart meter penetration for the duration of the roll out.
- Strict regulatory compliance requirements and operational inefficiencies in the meter malfunction exchange process.
- Fragmented jurisdictional regulatory frameworks for smart meter installation and services.

Having said this, we remain pragmatic about the scope of subsequent regulatory reforms as the industry approaches four years since Power of Choice came into effect. Given the relatively stable pace of the smart meter roll out and the substantial amount of investment in the current metering framework, we do not believe that radical reforms or highly prescriptive regulatory obligations at this stage will promote a more rapid roll out. It is important that any reforms arising from the AEMC's review are balanced, seek to reduce the cost burdens on retailers rather than impose additional costs, and avoid diverting staff and resources from retailers' existing smart meter deployment programs.



Regulatory intervention at this stage should be limited to addressing material failures in the competitive smart meter roll out process. We note that some of the pronounced barriers identified in the Directions Paper can be resolved by simplifying the regulatory framework to allow for greater flexibility, especially in the meter malfunction process and retailer-initiated roll out notice requirements. Importantly, the AEMC should continue its dialogue with government policymakers to optimise the speed of the roll out through rewards-based initiatives and incentives for retailers (as the main party responsible for the roll out) and to minimise Jurisdictional barriers to the implementation of smart meter services.

We have previously submitted to the AEMC that the adoption of smart meters in the NEM is reasonably paced notwithstanding the persistent complexities and industry-wide issues which continue to frustrate the deployment process. We maintain that the removal of these barriers through collaborative industry strategies is key to unlocking a timelier, more cost effective and equitable smart meter roll out. Once these barriers are removed and the program better aligned to the consumers' changing preferences in energy management, products and services for their home and business (e.g., adoption of solar, batteries, EVs, smart inverters), the roll out will naturally accelerate.

AGL's responses to the AEMC's questions in the attached Appendix focus on opportunities to remediate existing complexities in the smart meter deployment while optimising current processes in the framework.

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Elizabeth Molyneux'.

Elizabeth Molyneux
General Manager, Policy and Energy Markets Regulation
AGL Energy



Appendix

Question	AGL Comments
1 Benefits which can be enabled by smart meters	
1(a) <i>Are there other benefits which can be enabled by smart meters that are important to include in developing policy under the Review?</i>	The AEMC has correctly identified the suite of smart meter benefits that are important to include in developing policy under the Review.
1(b) <i>What are stakeholders' views on alternative devices enabling benefits? What are the pros and cons of these alternative devices?</i>	AGL agrees with the AEMC's assessment that smart meters are the most appropriate device to enable benefits for consumers individually and collectively ¹ while the installation of other separate devices is unlikely to promote greater efficiencies in the current process. However, the AEMC should encourage DNSPs to further invest in technology to monitor low voltage (LV) substations to increase the benefits of any network modelling from smart meters, as well as smart photocells to have a better understanding of unmetered infrastructure.
2 Penetration of smart meters required to realise benefits	
2(a) <i>Do stakeholders agree that a higher penetration of smart meters is likely required to more fully realise the benefits of smart meters? If so, why? If no, why not</i>	AGL agrees that a higher penetration of smart meters will allow consumers and other market participants to fully realise the associated benefits. With that said, meter penetration is one aspect of enabling smart services but not the full scope. Meters are unique in that they offer the only standardised way to capture, measure, and communicate billing and other data to retailers, DNSPs and other parties. To fully realise the benefits available from smart meters, market participants need to be able to access power quality and other discretionary data in a low cost, low latency way. Access to more

¹ Australian Energy Market Commission, Review of the Regulatory Framework for Metering Services Directions Paper, 16 September 2021, p 16.



granular metering data in higher volumes can provide consumption information to customers that is more meaningful, allows customers to better manage their bills and is central to unlocking emerging innovative product offerings and technologies. However, the costs associated with setting up systems, applications, and customers portals, especially large-scale operations, are considerable while customer responsiveness and appreciation is still developing.

A higher penetration of smart meters will encourage parties to keep exploring additional value-add services which can be enabled by smart meters and promote further growth and adaption of emerging technologies, although exactly how much growth is as-yet unknown.

2(b) *Do stakeholders have any feedback on the level of smart meter penetration required for specific benefits? Or to optimise all benefits?*

AGL estimates that 70% smart meter penetration would be sufficient to deliver the benefits to consumers identified in the Directions Paper. There will be a segment of the population (e.g., digitally illiterate etc.) who will ignore the benefits a smart meter brings

Overstated remote reconnection and disconnection capabilities continue to top the list of key benefits enabled by smart meters through access to instant power connections while avoiding costs and labour traditionally associated with basic meters. However, the delayed adoption of remote service regulations by state governments four years into Power of Choice means that customers and retailers pay for a service yet to be delivered in more than one way. While we are yet to unlock the benefits of instant move-in connections in the NECF states and save costs on labour required for physical site attendance, the hardware component which enables remote disconnections and reconnections in smart meter devices (and which forms part of the mandated standard) is the most expensive part of the smart meter (i.e., approximately 15-20% of the overall cost).

3
To reach a critical mass in a timely manner, options to accelerate the roll out should be considered

3(a) Do you consider that the roll out of smart meters should be

AGL believes that the pace of the NECF smart meter roll out reflects the forces of a competitive market. While we generally agree that some measures should be taken to optimise the roll out process, the key to accelerating smart meter adoption is in the removal of barriers in the meter exchange process. Some reforms including the AEMC's



accelerated? Please provide details of why or why not.

proposed solution to meter malfunction replacement delays and establishing targets for the smart meter roll out, are setting retailers up for failure if other structural impediments such as roles and responsibilities, multisite arrangements and access to meters are not addressed through a collaborative industry approach.

Consistent with our previous submission, we continue to see steady growth in the uptake of smart metering, indicating that consumers continue to embrace smart meters at a higher rate than previously expected given a general lack of consumer incentives.

AGL believes that the speed of the roll out can be accelerated organically by reducing the barriers associated with:

- Varied and diverse requirements of jurisdictional regulators for the installation of smart meters and the introduction of key smart meter services.
- The current defect remediation process for meter installations which will continue to cause delays in the smart meter roll out unless holistically addressed; and
- Inconsistent interpretation of the regulations among market participants.

AGL does not believe that the roll out of smart meters should be accelerated through regulated targets. An attempt to accelerate the speed of roll out beyond that which would naturally occur in a competitive market will inevitably create barriers to entry for new market participants. Complex regulatory frameworks and associated costs of compliance can deter new actors in the market thereby adversely affecting competition and further monopolising the provision of metering services to a select few participants. When considering the scope of subsequent reforms, the AEMC should be cognisant that substantive regulatory changes to the current framework will force retailers to divert scarce resources in order to redesign their smart meter deployment programs while incurring avoidable costs. This will impact retailers' ability to absorb the costs associated with:

- procuring more meters
- higher fees expended on contracts with metering parties
- increased planning and coordination requirements
- more staff and specialised training



- higher volume of payments to DNSPs for removing the physical asset
- the annual meter rental (annuity) cost retailers pay to metering coordinators (MCs) which increases as the volume of smart meters increases.

What are the merits, costs and benefits of each option? Is there a particular option which would be most appropriate in providing a timely, cost effective, safe and equitable roll out of smart meters?

3(b)

Imposing strict regulated targets without first addressing root causes of meter installation delays will exacerbate already prevalent issues, such as no access to sites and physical defects preventing installation. Therefore, we recommend that the AEMC first put measures in place to address the other barriers raised in the Directions Papers and for a period monitor the effectiveness of those measures in promoting a more rapid smart meter roll out. The industry and the AEMC will be better positioned to evaluate whether or not regulatory intervention in the form of target setting is required in a competitive metering roll out.

In AGL's view, the introduction of an industry-wide backstop date may be the least cumbersome option put forward by the AEMC. This approach will allow retailers and market parties to retain existing commercial arrangements and give more flexibility than the other proposed options. Noting this, the introduction of any such regulated target for the smart meter roll out will inflate operational and compliance costs in the short-to-mid term as retailers redesign their deployment programs and shift focus to achieving quotas despite other structural barriers remaining (no access, site issues and lack of clarity in network metering asset management programs). Meter and installation costs are likely to increase if retailers attempt to install too many meters per month which ultimately flow on to the customer.

Such quotas are also likely to incentivise retailers and MCs to change out the easy installations, which will leave a substantial number of complex, problematic installations without a smart meter. This will lead to a period of high demand (and therefore high cost) for rectification of those installations.

The AEMC should be pragmatic about the proposed backstop date by setting a realistic target and providing the industry with a clear vision for the smart metering landscape beyond the backstop date, e.g., what the meter framework will look like beyond 2030.

3(c)

How would each of these options for rolling out smart meters

The factors listed in our response to question 3(a) above will ultimately flow into customers' prices. By accelerating the roll out, the price shock customers will experience will also be accelerated. As the costs increases are cumulative, the current gradual incline would become a faster, steeper costs incline for customers



impact the cost profiles of smart meters?

To support the introduction of a backstop date target (the costs burden of which will ultimately be worn by retailers), AGL recommends that the AEMC and government policy makers also adopt an rewards-based program to incentivise retailers, accelerate the roll out and meet the backstop target. For example, this could take the form of a government subsidy scheme or program that rewards retailers for meeting certain milestones and efficiently facilitating the installation of smart meters ahead of schedule.

Are there other options that you consider would better provide a timely, cost effective, safe and equitable roll out of smart meters?

As we note above, this is an opportune time to consider the role that rewards-based mechanisms can have in promoting a more rapid and more equitable roll out of smart meters. We believe that positive government initiatives through grants and subsidies can balance the high costs of regulatory compliance, meter procurement and installation while giving retailers the right incentives to mobilise accelerated deployment plans. For example, State Governments could play their part in the process through:

3(d)

- A smart meter subsidy or rebate to decrease the cost of procurement for retailers.
- Waiving charges associated with DNSP capital recovery for metering assets installed prior to 2015. Retailers are currently absorbing these charges until 2025, therefore, leading to higher costs for consumers.
- A subsidy for temporary isolation services by the DNSPs for customers for in multi-occupancy sites with a shared fuse situation. Costs for temporary supply isolation range from \$300-\$1000 depending on the DNSP and are generally unrecoverable for retailers.
- Government grants or subsidies for homeowners to assist with the cost of repairing defects at the site which prevent the installation of smart meters, thereby mitigating this issue and providing an economic boost.

4

Options to assist in aligning incentives

4(a)

What are the costs and benefits of each option? Is there a particular option which would best align incentives for stakeholders?

Additional revenue streams: AGL believes that if we remove the structural impediments to the roll out, as the penetration of smart meters increases, market participants will organically develop revenue streams through data from smart meters to support product and service innovation without further regulatory intervention. For example, we are already seeing customers who install solar and/or batteries in their homes offered orchestration services, thus generating additional revenue streams for both customer and market participants.



Spreading the cost: We do not support a model where costs are smeared. Costs should be assigned to the responsible parties; however, roles and responsibilities should also be clearly articulated in the rules as this will ensure the right parties pay for the right costs at the right time.

Multiple parties responsible for metering: The Power of Choice reforms are working, albeit with some operational and regulatory inefficiencies which impact the speed. Radical changes to the framework not required and risk undoing the substantial investment in the smart meter roll out while undertaking the program of work required to operationalise such changes would cause substantial disruption and delays.

4(b) Are there other options that you consider would better align incentives?
See AGL's response to Question 3(d), above.

5 The current minimum service specifications enable the required services to be provide

5(a) *Do you agree with the Commission's preliminary position that the minimum service specification and physical requirements of the meter are sufficient? If not, what are the specific changes required?*
AGL agrees with the AEMC's position that the current minimum service specifications and physical requirements of the meter are sufficient.

5(b) *Are there changes to the minimum service specifications,*
No comment.



or elsewhere in Chapter 7 of the NER, required to enable new services and innovation?

5(c)	<p><i>What is the most cost-effective way to support electrical safety outcomes, like neutral integrity? Would enabling data access for DNSPs or requiring smart meters to physically provide the service, such as via an alarm within the meter, achieve this?</i></p>	No comment.
5(d)	<p><i>Do you agree smart meters provide the most efficient means for DNSPs to improve the visibility of their low voltage networks? Why, or why not? What would alternatives for network monitoring be, and would any of these alternatives be more efficient?</i></p>	Smart meters will assist DNSPs to better understand the voltage and power flows associated with their LV networks. However, as shown by the Victorian example, the DNSPs will need to start developing LV and HV data models and power flow models which have smart meter data as part of the input data.
5(e)	<p><i>Can smart meters be used to provide an effective solution to emerging system issues?</i></p>	No comment.



6

Enabling appropriate access to data from meters is key to lockpicking benefits for consumers and end users

6(a)

Do you agree there is a need to develop a framework for power quality data access and exchange? Why or why not?

The data access model that is ultimately adopted should be one that facilitates competitive market solutions rather than making the customer a passive market participant. The data should be made available so that retailers and new market participants can offer solutions to voltage scenarios.

The fundamental decision to implement metering competition was to allow the parties freedom to contract for the information and services they needed. Retailers contract for the provision of services from MCs as needed. If DNSPs and other registered participants should also contract for information to support their regulated activities, then they have undoubtedly found other means of meeting their regulatory obligations.

6(b)

Besides DNSPs, which other market participants or third parties may reasonably require access to power quality data under an exchange framework? What are the use cases and benefits that access to this data can offer?

With the development of two-sided markets and two-sided demand response mechanisms, there are a number of other market participants who can access power quality data and provide networks with services as well as reward customers who willingly offer their solar, battery and EV to support network reliability. These participants can include:

- Demand Response Service Providers – to measure and control load.
- Third party Behind the Meter Service Provides (e.g., solar) – measure and control solar inverters and batteries.
- VPP, battery and EV providers to measure and orchestrate these products.

6(c)

Do you have any views on whether the provision of power quality data should be standardised? If so, what should the Commission take into consideration?

No comment.



6(d) *Do you consider the current framework is meeting consumers' demand for energy data (billing and non-billing data), and if not, what changes would be required? Is there data that consumers would benefit from accessing that CDR will not enable?*

The CDR framework has captured the appropriate amount of data both in billing and metering to allow customers to share this information with Accredited Data Recipients (ADRs) and for the ADRs to offer tailored solutions to customers.

7 Feedback on the initial options for data access that the Commission has presented

7(a) *What are the costs and benefits of a centralised organisation providing all metering data? Is there value in exploring this option further? (e.g., high prescription of data management).*

AGL does not have a preference on the proposed data access model, however, our view is that any model development should meet the following criteria:

- Provide information to networks to efficiently run the system.
- Provide information to support the development of the two-sided energy market including network and wholesale market services.
- Provide information to customers to make the most informed decision on products and services that reflect their energy needs.

Any data sharing model should leverage existing arrangements where possible rather than introduce new arrangements and new market participants. All participants should be required to share the relevant data through this model.

7(b) *What are the costs and benefits of minimum content requirements for contracts and agreements for data access to*

See response to Question 7(a), above.



provide standardisation? Would such an approach address issues of negotiation, consistency, and price of data?

7(c) *What are the costs and benefits of developing an exchange architecture to minimise one-to-many interfaces and negotiations? Could B2B be utilised to serve this function? Is there value in exploring a new architecture such as an API-based hub and spoke model?*

See response to Question 7(a), above.

7(d) *What are the costs and benefits of a negotiate-arbitrate structure to enable data access for metering? Is there value in exploring this option further? (e.g. coverage tests or nonprescriptive pricing principles).*

See response to Question 7(a), above.

7(e) *Are there any other specific options or components the Commission should consider?*

See response to Question 7(a), above.



8	<p>A higher penetration of smart meters will enable more services to be provide more efficiently</p>	
8(a)	<p><i>Are there other potential use cases that third parties can offer at different penetrations of smart meters? What else is required to enable these use cases?</i></p>	<p>No comment</p>
.8(b)	<p><i>Noting recommendations in incentives and the roll out, are there other considerations for economies of scale in current and emerging service models?</i></p>	<p>The lack of forecast family failure information from DNSPs and the current DNSP approach where large numbers of meters are suddenly categorised as family failures, creates spikes in meters due for replacement. The current extended period allows retailers and MCs to smooth that workload to enable a more efficient resource allocation. This becomes particularly important where family failure meters are located in remote areas which may involve substantial travel time for field resources. The MC can then schedule multiple jobs within a geographic area to maximise resource allocation.</p> <p>The requirement to issue specific outage windows for all meter replacements is also onerous. The Victorian AMI rollout was undertaken with customers being advised of a two-week window for meter replacement, with the option to have a specific outage date, if needed. This allowed the Victorian distributors to roll out substantial numbers of meters more efficiently. From a perspective of customer experience, there was little issue with the outage window as the customer could always request a specific outage.</p>
9	<p>Improving customers' experience</p>	
9(a)	<p><i>Do you have any feedback on the proposal to require retailers to provide information to their customers when a smart meter is being installed? Is the proposed</i></p>	<p>We do not believe that additional regulated customer notice requirements will encourage a noticeably higher uptake of meters. Increased knowledge of or familiarity with smart meter technology does not necessarily translate to acceptance</p>



information adequate, or should any changes be made?

of it or promote a better customer experience.² The AEMC should holistically consider complexities involved in this proposal, including that:

- Retailers may not be able to leverage their existing planned interruption notices to incorporate the additional information. The volume information proposed to be included is comprehensive, likely meaning that a new standalone letter and accompanying IT system process will need to be developed, thereby creating costs which will be exclusively worn by retailers.
- Accumulation meter data has no link to any interval usage, rendering analysis very difficult and prone to many assumptions. Moreover, this analysis can change rapidly especially during periods when DNSPs are changing/introducing network tariffs, rendering retailer-provided information out of date by the time it is received.
- There is significant level of complexity associated with creating collateral with a high degree of variable data and bespoke information which is linked to the customer's account. Large-scale system developments will need to be undertaken to synchronise the various reasons for the meter exchange with other tailored customer information.
- Retailers are not required to send a planned interruption notice at least four business days from the installation date where the customer has provided their verbal or written consent in a readily verifiable way. This consent may be captured by retailer or metering party in close proximity to the meter installation taking place and sometimes on the same day. As such, it is unclear how the AEMC proposes for this information to be delivered in these instances.
- Information relating to the customer's new network tariff may not be available or subject to change at the time the notice is issued.

9(b)

Should an independent party provide information on smart meters for customers? If so, how should this be implemented?

AGL believes that governments should be actively involved and invest in promoting the benefits of smart meters as collectively all consumers benefit from smart meters. Therefore, it is practical for governments to centralise this information to allow industry participants to leverage and complement this information at the point of exchanging the customer's meter.

² K.T. Raimi, A.R. Carrico, [Understanding and beliefs about smart energy technology](#), Journal of Energy Research & Social Science 12 (2016), p72.



9(c) *Should retailers be required to install a smart meter when requested by a customer, for any reason? Are there any unintended consequences which may arise from such an approach?*

AGL believes that a successful smart meter roll out is underpinned by empowering consumers to be active participants in the energy market. With the exception of some multi-occupancy sites arrangements, AGL will install a smart meter for its customers upon request. However, it is still incumbent on the customer to provide safe access to allow for the meter exchange.

10 **Reducing delays in meter installation**

10(a) *Do you have any feedback on the proposed changes to the meter malfunction process?*

AGL generally supports the creation of two categories of meter malfunction: individual failures requiring faster action and family failures which can be managed over a longer period. We also welcome the AEMC's recommendation to increase the time within which retailers can replace a malfunctioning meter to better reflect the operational challenges in the current process. We do, however, urge the commission to consider longer replacement timeframes and to retain the exemption process in limited circumstances (such as COVID-19, government-mandated restrictions on work and movement).

Greater flexibility for retailers and metering parties to deal with family failures is one of the key opportunities to optimise the speed and costs efficiencies in the smart meter roll out. The regulatory framework should move away from using highly prescriptive timeframes in favour of replacing family failure malfunctions within "reasonable a time". Current time sensitive meter replacement regulations, which attract civil penalties for non-compliance, have not promoted better customer outcomes or a more rapid roll out to date, and in fact lead to unnecessary additional costs being incurred.

Family failure is simply an outcome of a statistical process and does not indicate a critical failure in the meter but some degree of degeneration in its metering capability. The individual meter itself will continue to function and provide the minimum level of service. Strictly regulated meter exchange timeframes have created the need for exemptions to the Australian Energy Market Operator (as required under the NER) which the AEMC now seeks to remedy. An alternative, flexible approach is required to promote better resource allocation, planning and priority-setting which we believe can be achieved by removing the regulated timeframe in favour for a "reasonable time" approach and through prioritising replacement of most deteriorated family failure meters first.



Notwithstanding our recommendation above, if the AEMC assigns a prescribed timeframe for family failure meter replacements, we believe at least 110 business days would be practicable to account for issues such as DNSPs ‘dumping’ significant volumes of family failure meters on retailers at irregular intervals (thousands in one month and none the next) and lack of visibility for retailers in the DNSP forecasting as we cannot rely on previous years’ data to forecast. The AEMC should introduce measures whereby DNSP Asset Management list which detail the lifespan of their meters and projections of meter replacements programs are made available to retailers to better plan family failure meter replacements.

We strongly recommend that the AEMC retain the exemption process if it proposes to continue assigning prescribed timeframes for family failure meter replacements and individually identified meter malfunctions. The exemption process has allowed metering coordinators to operationally manage large volumes and geographically dispersed family failures notified by DNSPs. By removing the exemption process without first addressing the irregular nature of meter malfunction notifications from DNSPs and lack of retailer visibility over family failure forecasting, retailers will ultimately bear the increased cost and risk. It may be simply impracticable to action thousands of meter installations within 60 business days. Further, experiences throughout 2020 and 2021 with COVID-19 related restrictions on work and movement have proven that an exemption process for regulated timeframes will still be required for extreme events.

Are there any practicable mechanisms to address remediation issues that can prevent a smart meter from being installed?

10(b)

In any meter replacement program, there are roles and responsibilities for both customers and market participants. It is important that customers understand their responsibilities, including providing access and having a defective-free site. If the AEMC proposes to set backstop targets, it is important to address these fundamental issues at the start of the program rather than waiting until the back end of the target date, otherwise there will be a significant parcel of work related to defective sites that will need to be rectified in a short period of time.

Site remediation issues are more pronounced for people who live in rental properties (both public and private) who are often unable to rectify site installation issues and provide safe, unrestricted access. In most cases the landlord or housing provider do not address the defect for extended periods of time further exacerbating inequitable outcomes, while the tenants are rarely able to address the defects themselves. Therefore, there is a role for governments to ensure that rental and public housing is not left behind in the meter replacements and to incentivise landlords to provide safe access to the property in a reasonable timeframe and carry out necessary rectification works to their asset.



11	Measures that could support a more efficient deployment of smart meters	
11(a)	<i>Do you have any feedback on the proposal to reduce the number of notices for retailer-led roll outs to one?</i>	AGL supports AEMC's proposal to reduce the number of notices required for retailer-led roll outs from two to one, issued 15 business days prior to the installation window. This is a positive step towards reducing regulatory overload under the metering framework and streamlining the notification process to enable better planning and coordination of individual and bulk metering jobs.
11(b)	<i>What are your views on the opt-out provision for retailer-led roll outs? Should the opt-out provision be removed or retained, and why?</i>	AGL does not support removing the opt-out provisions for retailer-led roll outs and we do not believe that a strong enough case has been put forward to justify winding back consumer rights. In our experience with retailer-initiated meter exchanges, customers elect to opt-out for a variety of reasons ranging from inconvenient timing to being aware of defects at the premises that require remediation. Opt-out rates are low and represent approximately 5% of sites excluded from the roll out. We believe an early customer opt-out from the meter exchange is preferential (though not ideal) to a failed site visit and subsequent delays to regulated timeframes. Other issues related to smart meter hesitancy and refusal should be addressed first before the AEMC considers amendments to opt-out rights under the national energy laws and regulations.
11(c)	<i>Are there solutions which you consider will help to simplify and improve meter replacement in multi-occupancy premises? Should a one-in-all-in approach be considered further?</i>	<p>We understand that there are limited viable solutions to overcome issues with multi-occupancy sites with shared fusing arrangements, however, we believe that DNSPs are best positioned to coordinate and lead meter replacements given their full visibility of retailers at these types of premises.</p> <p>We foresee that the proposed 'one-in-all-in' approach will likely create more problems than it resolves. A suite of other regulatory changes would be required to support 'one-in-all-in' meter exchanges at multi-occupancy sites as the current framework is not suitable for this approach and may be inhibited by a number of additional barriers, including:</p> <ul style="list-style-type: none">• Coordinating planned interruption notices for all occupants which would likely to be spread among a number of financially responsible market participants.• The possibility that, if all legacy meters were to be replaced concurrently, metering panels would run out of room inevitably leading to some meters left unexchanged or further works being required to upgrade the meter.



- Necessitating the removal of opt-out provisions for customers on a shared fuse which we do not support in a competitive market.

12 Feedback on Other Installation Issues

Do you have feedback on any of the other installation issues raised by stakeholders? Are there any other installation issues the Commission should also consider?

12(a)

Planned Interruption Communication: AGL agrees with the AEMC’s interpretation in relation to planned interruption notices where only “one market participant needs to send the affected customer a PIN for any installation scenario.”³ AGL also agrees that neither a retailer or distributor planned interruption notice is required when the customer (or their agent) requests electrical works where a meter may also be upgraded or replaced as part of the process. Therefore, a planned interruption notice does not need to be issued in these instances by any party. We urge the AEMC to incorporate this specific exclusion under Clause 59B of the National Energy Retail Rules to minimise conflicting interpretations which cause disagreement among parties. Inconsistent interpretations between retailers, metering coordinators and DNSPs have been responsible for a barrage of complications and delays as parties attempt to determine who is responsible for leading the planned interruption communications and ultimately resulting in a poor customer experience.

Replacement of meters following a natural disaster: We agree with the AEMC that the current process for replacing meters following a natural disaster is fit for purpose. In these situations, we see the DNSP as having a strong role in coordinating retailers and MCs as they are generally responsible for restoration of supply and consumer defects.

Industry Keys: It has been repeatedly noted that a portion of DNSPs have not undertaken processes to give timely access to metering installations to MCs by providing them with appropriate keys and access. DNSPs have had a number of years to resolve that issue and visit those sites four times a year as part of their obligation to read the meters.

AGL suggests that the DNSPs be given 18 months to either provide keys to the MCs or replace any metering installation locks with ones which the MCs have access to via a standardised utility key.

³ Australian Energy Market Commission, Review of the Regulatory Framework for Metering Services Directions Paper, 16 September 2021, p 100.



Mandatory Network Tariff Assignment: Network tariff uncertainty following the meter exchange is now becoming a key driver of consumer reluctance in retailer-led meter roll outs. This trend is especially prevalent in NSW where mandatory demand tariffs are negatively affecting our ability to offer modern, innovative energy products to customers through VPP and orchestration projects. Customers increasingly perceive they could be worse off moving to cost-reflect tariffs, (especially demand pricing) while the effort required to participate in the meter exchange process for the customer is seen to outweigh any meaningful benefits. To overcome this disincentive and encourage higher uptake of smart meters, we recommend that the AEMC work with the AER and DNSPs to limit the application of demand network tariffs for customers taking part in a retailer-led meter upgrade program for a period of time. Customers should be able to remain on their preferred/existing network rate structure for post-meter exchange to overcome issues with tariff mapping and to promote a higher uptake of smart meters.

13 Improvements to roles and responsibilities

13(a) *Are there any changes to roles and responsibilities that the Commission should consider under this review? If so, what are those changes, and what would be the benefit of those changes?*

DNSPs to act as MPs in some situations: AGL supports the proposal to enable DNSPs to act as MPs on request of the metering coordinator to facilitate timely meter installations in remote or rural areas.

Reduce the number of metering roles: The proposal to combine MC and MP roles is not likely to unlock any notable improvements to the metering party structure but would require moderate changes to retailer IT and invoicing systems. Combining the two roles will be problematic for family failure meter exchanges where the DNSP is also the MP responsible for the asset, and a new process will be required to have the meter replaced by another party.

Transferring metering responsibilities to the DNSP: At this stage in the smart meter roll out we see no see substantial benefits in changing DNSPs to be the main party responsible for deployment. Any efficiencies realised through DNSPs leading the roll out would be offset by the radical changes required to the existing framework at the expense of all retailer investment in processes, architecture, commercial agreements and IT systems.