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Australian Energy Market Commission

### **AGL Response to project reference code ERC0275**

AGL Energy Limited (**AGL**) welcomes the opportunity to provide comment on the Australian Energy Market Commission's (**AEMC's**) Consultation Paper in relation to the *Introduction of metering coordinator planned interruptions* (project reference code ERC0275).

AGL supports the general thrust of the proposed rule by the Chairperson of the Competitive Metering Industry Group (CMIG) to allow Metering Co-ordinators (MCs) to arrange planned interruptions for electricity customer, regardless of the customer's retailer, for the purposes of installing, maintaining, repairing or replacing an electricity meter.

AGL believes the AEMC could extend the proposed Rule and make a preferred Rule whereby:

- For retailer and customer led meter exchanges, MCs can undertake a planned interruption with the appropriate consumer protection arrangements; and
- For distributor initiated aged assets or family failure meter exchanges, distributors are required to lead and co-ordinate meter exchanges.

AGL believes this preferred Rule will ensure a wider number of meter exchanges will be carried out with fewer site visits and therefore promote timely meter exchanges and limited consumer disruption.

The remainder of the submission contains more detailed information in response to the AEMC's issues in the Consultation Paper and in support of our position for a more preferred Rule.

If you would like to discuss any aspects of our submission please contact Con Hristodoulidis, [christodoulidis@agl.com.au](mailto:christodoulidis@agl.com.au) or (03) 8633 6646, Senior Manager Regulatory Strategy.

Yours sincerely

*(signed for electronic transmission)*

Elizabeth Molyneux

General Manager Energy Markets Regulation



## ATTACHMENT: DETAILED RESPONSES TO AEMC ISSUES

### Question 1: Proposed NER Amendments

*1.1. What are the benefits of allowing metering coordinators to arrange and carry out planned supply interruptions?*

AGL believes the most significant benefit will be to customer experience. The impact of being able to improve meter exchange timeliness and increase meter installer productivity will likely reduce complaints and frustration being experienced by customers located in sites with shared fuses, which can currently be caused by multiple interruptions to supply in a short period of time or long delays in meter exchanges occurring due to a lack of co-ordination by industry participants.

Further, more timely access to digital meters also provides consumers with faster access to the growing number of behind the meter products and services available to consumers (ie solar, batteries, demand management programs, virtual power plants and associated orchestration services, time of use and demand tariffs etc) to better manage their energy usage and therefore energy affordability.

Finally, industry co-ordination and streamlined processes to carry out meter exchanges for multi-site / shared fuses also assists with building consumer trust in the energy sector.

*1.2. What is the magnitude of the issue that the rule change request is attempting to resolve? For example, how many meter installations are delayed due to inability to interrupt the supply of the retailer's customer without interrupting the supply of one or more other customers?*

In understanding the current industry challenges related to meter exchanges at multi-sites or sites with shared fuses, it is important to first understand the key drivers behind the installation of an electricity meter. As the Consultation Paper notes, the initiation of meter installations and exchanges can be categorised as:

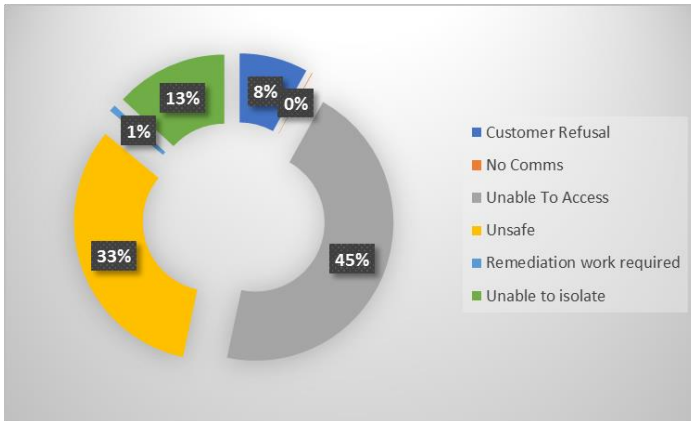
- **Customer-initiated new connections.** These represent new connection points, usually to a newly built property. In each instance there is a new retail contract created for a customer.
- **Customer-initiated meter exchanges.** These are customers with existing retail contracts who initiated a request to exchange their meter. The most common reasons for this request are as part of a solar installation, or to upgrade or relocate the meter.
- **Distributor-initiated meter exchanges.** These are existing connection points that require a meter exchange for fault or asset replacement purpose. The network will notify the retailer of the need to replace the meter, who will appoint a MC to replace the network meter. Examples of these include meter faults, family failures and aged assets.
- **Retailer-initiated meter exchanges.** These are existing retail customers where the retailer wishes to exchange the meter without the customer initiating the request. Examples of this could include to improve the accuracy of meter reads for customer billing or to resolve issues with chronic no access to a basic metered site.

Since the commencement of Power of Choice (POC) in December 2017, the bulk of the meter exchange work has been distributor-initiated meter exchanges. [REDACTED]

AGL believes demand for meter installation will continue to be significantly driven by the various distributor-initiated reasons, particularly aged asset replacement. As presented at the AEMC workshop on the proposed Rule on 19 September 2019 and shown in the diagram below, AGL provided a snapshot of reasons distributed initiated meter exchanges were not completed for the period February to June 2019. The main reason being inability to access the site. However, inability to isolate due to shared fuse, unsafe



and remediation work required represented nearly 50% of the reasons why a meter exchange was not carried out.



*1.3 Under what circumstances would the rule be used? Do stakeholders consider that there would be any issues if the proposed rule is made with how the rule would interact with retailers, DNSPs and metering parties existing obligations in the NER or NERR?*

*1.5 Are there alternative solutions to introducing metering coordinator planned interruptions which would address the underlying issue of delays in installing or replacing meters in circumstances where there are shared fusing issues?*

AGL believes the proposed Rule to allow MCs to carry out planned supply interruptions will be beneficial for smaller multi-sites (eg duplex), especially for retailer or customer-initiated exchanges where there are no defects to the customers' meter boards.

However, AGL believes there is also scope for the AEMC to make a more preferred Rule. Specifically, AGL believes the AEMC can make a more preferred Rule that will require distributors to take a leading and co-ordination role in larger and more complex multi-sites, especially for those that are distributor initiated due to aged asset or family failure scenarios.

In these instances, the distributor can either be required to carry out a site visit as owners of the existing meter and connection arrangements or, as outlined as a possible solution at the AEMC workshop, when another party identifies a shared fuse arrangement the issue is notified to the distributor who is then obliged to co-ordinate resolution within a defined period. The following diagrams provide a high-level overview of AGL's preferred Rule process.

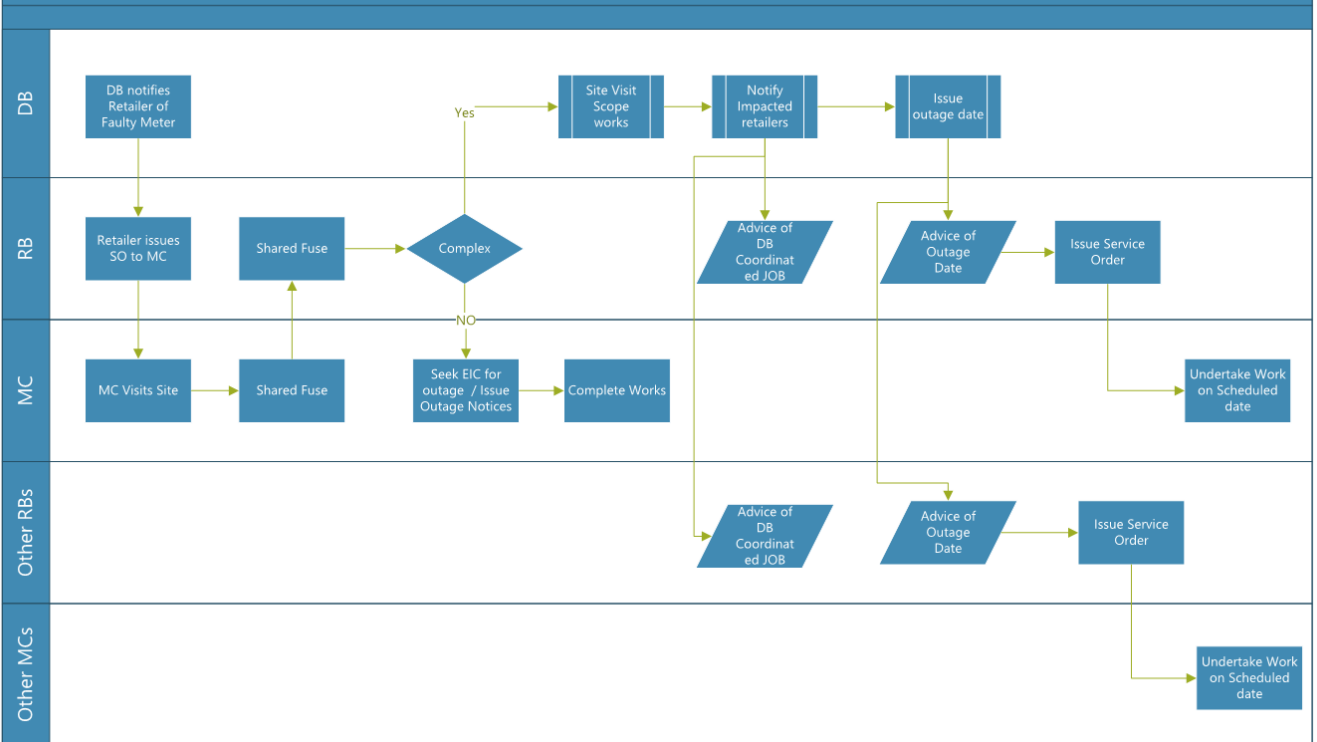
In these instances, there are two types of scenarios:

1. Simple distributed-initiated meter exchanges: This generally involves the distributor informing the retailer that a one-off meter is faulty or broken and therefore in need of replacement. In this instance the retailer would appoint an MC to undertake the meter exchange and the MC once on site discovers the meter is part of a shared fuse. Depending on the complexity of the site (ie any defects or number of impacted connections on the shared fuse, the number of shared fuses, condition of meter board, connection quality etc), the MC can either use the proposed MC planned interruption notice to carry out the metering works or notify the retailer who can then request a distributor planned interruption.

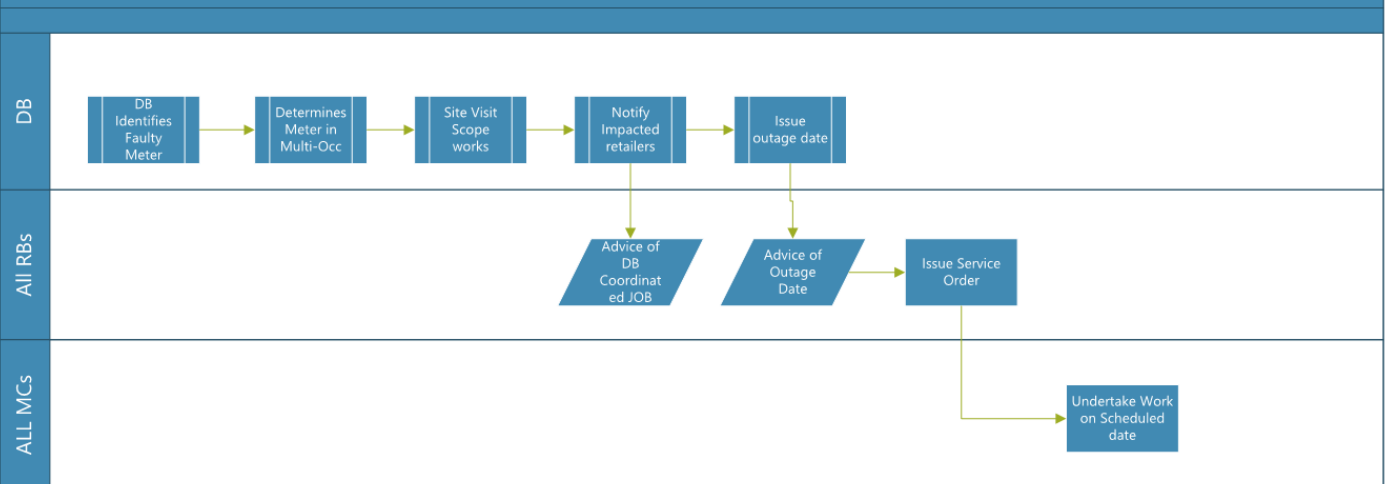


2. Complex distributor-initiated meter exchanges: This generally involves multi-sites and in most cases the distributor would issue a bulk aged assets or family failure Metering Fault Notice to impacted retailers. In this scenario, distributors should be required to take the lead and co-ordinate the meter exchange process.

### Meter Exchange – Scenario 1



### Meter Exchange – Scenario 2





*2.1 Are retailer planned interruptions required if metering coordinator planned interruptions are introduced? Why or why not?*

AGL believes that retailer planned interruption notification should remain. Most meter exchanges are carried out successfully through a retailer initiated planned interruption notice. The proposed Rule along with AGL's preferred Rule will ensure there is flexibility in issuing the notice by the most appropriate body depending on the circumstances and condition of the meter(s) being replaced. This should improve the timeliness and customer disruption in undertaking a meter exchange.

However, the AEMC needs to make it clear in the Rules that liability for any damage, delay or injury caused at customer site due to the meter exchange lies with the responsible party that has issued the planned interruption notice. If a retailer issues a planned interruption notice and the MC is acting as an agent of the retailer in carrying out the meter exchange, then the retailer should be responsible. However, if the MC issues the planned interruption notice to a consumer impacted by the shared fuse, then the MC should be the responsible party for damage, delay or injury caused to the affected consumer(s).

*2.3 Are the methods of communicating planned outages, and the information provided in the planned outage communications with other market participants adequate? Are there any further amendments which should be considered?*

AGL supports the use of existing AEMO B2B communication arrangements for MCs to communicate their planned interruptions to affected market participants. AGL also supports the content the notification must include being the expected date, time and duration of MC planned interruptions.

However, AGL considers the content of the notification should also include the reason why the outage is occurring and that it is being driven by another retailer's MC planned outage requirements at that site.

*3.1 Do metering coordinators require a specific level of access in MSATS in order to identify the customer who would receive a supply interruption? Is there an alternative method which would be more appropriate to obtain the required information? Are there any issues with providing metering coordinators with access to NMI Discovery?*

MCs gained limited access to MSATS to undertake NMI discovery in May 2019. AGL believes this access is adequate for MCs to identify the customer who would they intend to provide a supply interruption notice.

*3.2 What is the most appropriate arrangements for a metering coordinator to determine whether a resident at any of the premises it intends to arrange a planned supply interruption uses life support equipment?*

AGL proposes that when the MC is at site, part of the EIC process to carry out same day MC planned interruption should require a specific question and auditable record that the customer has been asked and provided EIC that they do not have life support needs at the premises and given permission for the MC planned interruption to occur on the day.

If the customer provides advice that life support exists at the premises then the MC must follow the current retailer and distributor Planned Interruption Notices requirements, which requires a written notice providing 4 business days' notice before the MC planned interruption can occur.

If the MC cannot make contact on the day or decides to use the Planned Interruption Notice, the MC can undertake a NMI discovery to identify the retailer(s) and issue a CDR to confirm life support status.

*3.3. Should customers have any access to dispute resolution or another form of recourse if a metering coordinator breaches any of the rules in relation to metering coordinator planned interruptions?*



AGL supports the proposal to provide customers access to no cost and independent dispute resolution if MCs breach the proposed Rules in relation to MC planned interruptions. It is AGL's view, that placing a direct obligation on the MCs to resolve and bear the costs of a dispute for an MC initiated planned interruption provides the appropriate incentive for MCs to operate within the proposed new Rules or bear the costs with non-compliance and customer detriment that may be caused.

Notwithstanding that MCs should be directly responsible for their regulatory obligations, if the AEMC does not make a Rule to provide customers with access to dispute resolution, at a minimum AGL believes as part of the MC planned interruption proposed Rule, MCs should be required to keep records of any planned interruption notices issued or EIC obtained to carry out an MC planned interruption. They should also be required to produce the notice or EIC as part of an audit program or to assist in the resolution of any disputes that may arise as a result of the MC planned interruption notice or EIC.