ENERGY CONSUMERS AUSTRALIA

A Suite 2, Level 20, 570 George Street
Sydney NSW 2000
PO Box A989
Sydney South NSW 1235
T 02 9220 5500
W energyconsumersaustralia.com.au
@energyvoiceau
/energyconsumersaustralia
/energyconsumersaustralia

ABN 96 603 931 326

13 February 2023

Anna Collyer
Chair
Australian Energy Market Commission and Energy Security Board

Submission to the Australian Energy Market Commission's Draft Report on the Review of the Regulatory Framework for Metering Services.

Dear Anna

Energy Consumers Australia would like to thank the Australian Energy Market Commission (AEMC) for the opportunity to comment on the Draft Report for the Review of the Regulatory Framework for Metering Services (the Review). Over the past 2 years, we have appreciated the AEMC's collaborative approach to the Review which has included partnering on consumer research in 2021 into the attitudes and experience of smart meters[1]. We look forward to continuing to work with the AEMC as work on the smart meter roll out progresses.

Our research tells us that consumers want the future Australian energy system to be affordable, reliable, and clean[2]. As our system transitions to more renewable generation there will be increased periods of scarcity and abundance. To give consumers agency over their own energy bills and keep overall system costs down we need to provide them with the tools and services needed to respond to the volatility in the electricity supply. Smart meters are part of the essential infrastructure required to deliver these tools and help lower overall system costs. It is clear that the current rollout of smart meters is not delivering desired outcomes for either consumers, or the energy system. Further, at the current rate the earliest that Australia will have fully rolled out smart meters will be 2040 – noting that Victoria and Horizon Power have had 100% smart meters for almost a decade. For this reason, we strongly support the AEMC's proposal of an accelerated deployment of smart meters to achieve 100% penetration by 2030.

Achieving a successful roll out of smart meters by 2030 requires not only changes to the regulatory framework for which the AEMC is responsible, but a commitment by governments nationwide to ensuring an efficient roll out in every jurisdiction and that the full benefits of smart meters are realised. Further, information and advice about the process, the costs and the benefits needs to be available from an independent trusted agency, to support landlords (both private and social housing) as well as owners to participate.

1. Consumers should not be responsible for paying direct costs of smart meter installations.

Smart meters are an essential part of the future energy system infrastructure as we transition to net zero. This infrastructure will benefit everyone and therefore shouldn't fall on consumers to pay significant costs for installation on an individual basis. We support the costs being recovered equitably across all customers.

SECNewgate's Consumer Research[3] found consumers primary concern around smart meter installations was the uncertainty around costs. The AEMC's Consultation Paper released in 2021 outlines some of the costs associated with installing a smart meter. For some consumers who have to

[1] https://www.aemc.gov.au/sites/default/files/documents/newgate_research_full_research_report_-_metering_review.pdf
[2] https://ecss.energyconsumersaustralia.com.au/sentiment-survey-dec-2022/
[3] https://www.aemc.gov.au/sites/default/files/documents/newgate_research_full_research_report_-_metering_review.pdf

install meters in complex remediation or upgrade scenarios, it could cost them up to $12 000[4]. Consumers are already struggling with the rising cost of living and energy bills and shouldn't be left unsupported to shoulder the costs of smart meters when the majority of the benefits are spread across the system as a whole. Please see sections 9 and 10 in Attachment A for further detail on this issue.

2. Consumers and their representatives should have easy and clear access to their own energy data in real time from smart meters.

Access to real time energy data allows consumers to adapt their energy behaviour to harness cheaper electricity during periods of abundance and reduce during periods of scarcity or provide their data to their chosen representative to do this on their behalf. Currently, consumers have no right to access their energy data from their smart meter in the National Electricity Rules (NER) and National Energy Retail Rules (NERR). This needs to change. Please see section 19 in Attachment A for specific recommendations and comments.

3. Installing a smart meter should not automatically assign consumers to time varying retail pricing.

Not all consumers want to or have the ability to participate in time varying [5]. Some may only want to participate in a specific time period or only using a certain device. To assume that all consumers all of the time need to be responding to the same retail price signals does not acknowledge the diverse behaviours, needs, housing, lifestyle or socioeconomic backgrounds of Australian households and small businesses. Consumers who don't have the ability to benefit from time of use pricing shouldn't be forced into these pricing structure. We recommend that before the AEMC introduce any policy on network tariffs and pricing that the following be addressed:

- A consensus within the energy industry is established on clear consumers outcomes for retail pricing and a shared strategy for delivering these.
- Consumer trust and awareness needs to be addressed through an awareness and information campaign on time-varying retail pricing run by an independent trusted source.

Please see section 17 in Attachment A for more detail.

4. To establish trust and gain community acceptance there needs to be a clear, consistent, and accessible communication campaign.

An accelerated rollout of smart meters is required if jurisdictional net zero targets are going to be met at the least cost to consumers. We know this, the energy industry knows this, consumers do not. What they see is their retailer potentially costing them money and causing them inconvenience for something they appear to already have or may see little benefit from. Whether it be federal or state government, there needs to be a consistent communications campaign from a trusted source delivering the 'why' of this rollout and what consumers may expect. In SECNewgate's research[6] it was found that consumer sentiment towards smart meters was more positive if they recalled receiving communications about smart meters. To date the current rollout has not achieved the communications

[4] https://www.aemc.gov.au/sites/default/files/2020-12/EMO0040%20Review%20of%20the%20regulatory%20framework%20for%20metering%20services-%20Consult%20paper%20FINAL%20v2.pdf
[5] https://energyconsumersaustralia.com.au/wp-content/uploads/Final-Report-ECA-Tariff-and-bill-preferences_-Dec-2022_LG.pdf
[6] https://www.aemc.gov.au/sites/default/files/documents/newgate_research_full_research_report_-_metering_review.pdf

required to build social licence, with 47% of participants in SECNewgate's research not recalling receiving any information on their smart meter installation.

If we are to learn lessons from the Victorian roll out (as further discussed in sections 12 and 13 of Attachment A) a communication campaign is necessary for success and to build trust. It needs to be supported by various media channels and time of day scheduling to plan and account for diverse consumer needs and living. We appreciate the AEMC is not solely responsible for such a campaign but believe the Final Report should recommend a pathway and responsibilities in achieving this campaign. We explore this further under sections 12 and 13 of Attachment A.

5. All responsible actors need to be identified and involved in the planning and execution of the accelerated rollout.

To be successful, the rollout needs to reduce the complexity for all consumers. The actors who need to be involved, and have a role to play, do not fit neatly within the regulatory framework. For example, strata or body corporate managers or real estate agents and landlords need to be part of planning where it involves them. This is important because consumers living in the premise, may not be the decision maker of the property, and if, for instance, there is a need to remediate, they will either need to involve others, or will take no action at all. Mapping out the role of all parties in and outside the regulatory regime and including them in the discussion, is essential. As noted in recommendation 4, we understand that AEMCs remit only goes so far, but like recommendation 4, we think the AEMC is best placed to think through a responsibility assignment matrix and start the stakeholder engagement process. We explore this further in section 11 of Attachment A.

We support the AEMC's accelerated rollout target of 100% by 2030 but strongly recommend that the pain points and communications recommendations above be addressed in accelerating the roll out of smart meters. For more detail on these recommendations and direct responses to the AEMC's Draft Report please see Attachment A. Thank you again for the opportunity to provide comment on the Australian Energy Market Commission's Draft Report.

Yours sincerely

Lynne Gallagher
Chief Executive Officer

Attachment A - Response to the Draft Report Recommendations

1. Accelerate the smart meter deployment to be complete in 2030.

We support a target of 100% acceleration by 2030. As noted in the AEMC's Draft Report, at the current pace of installations it may not be until 2040 that there is full deployment of smart meters. Smart meters are part of the essential infrastructure of an Australian energy system that is affordable, reliable and clean. The current regulatory framework is inhibiting the rollout of smart meters and it is putting at risk our capacity to achieve the net-zero emission goals whilst ensuring the transition is as low-cost, efficient and reliable for consumers as possible.

2. Accelerate the smart meter deployment to target 100 per cent uptake.

Please see above.

3. Utilise legacy meter retirement plans as a mechanism to accelerate.

Our preferred option for acceleration is Option 1, a legacy meter retirement plan, as an industry led plan is most likely to be the most efficient and effective. Distribution Network Service Providers (DNSPs), working alongside stakeholders, should be able to create a plan that retires their own meters in a least cost manner for consumers. We would emphasise the importance of clear and transparent communication from all parties involved in the designing and approval process of this plan (e.g., networks, retailers, Metering Coordinators, and the Australian Energy Regulator (AER). We need all parties to be on board and capable of delivering the agreed upon plan to achieve successful consumer outcomes.

4. No change to the current industry structure.

While we are concerned that a change in industry structure may hinder the speed of the rollout we do think there is value in drawing on distribution networks' skills and experience in installation and maintaining metering installations. We would encourage the AEMC and AER to, where efficient, support networks to play a role where it would be beneficial to customer outcomes.

5. Removing retailer-led deployment opt-out provision.

Removing the consumer opt-out provision shifts the rollout from the original 'consumer-led' framing to a more 'essential infrastructure' rollout. If consumers can't opt out, it is even more critical that the costs and burdens of an accelerated smart meter rollout are mitigated and recovered as a shared cost across all consumers.

It is helpful in this context to learn from the Victorian experience. In the Victorian rollout of smart meters, consumers were not initially allowed to opt out of a smart meter or opt out of the communications on a smart meter (type 4a meters). In speaking with Victorian DNSPs of their experience, we learned that while in the minority, those consumers who refused a smart meter were offered solutions or alternatives to address the consumer's concerns. For example, some Victorian DNSPs gave customers who were concerned around the communications aspect of smart meters the option to install an external antenna at their own cost. Solutions and accommodations such as these are critical in gaining customer support and acceptance, especially when there are no clear opt-out provisions.

6. Do not include an explicit opt-out provision under the accelerated deployment.

Please see above.

7. Reduce the number of retail notices.

We agree with the AEMC that there is room to improve the retailer notification requirements.

However, we feel the question (and response) is more than simply moving from two notices to one. The purpose of the notice should be a) to ensure that consumers are aware that their meter will be exchanged, and all relevant information in regards to the installation process (such as power outage) so they can adequately prepare and b) to help build trust in the rollout by appropriately informing consumers. To achieve this, we think further consideration of what is going to work best for the consumer is required.

We suggest the notice be sent via the consumer's billing preference, to align with how the consumer may usually expect correspondence from their retailer. Consumers may choose their billing preference for several reasons for example they may opt for to make it easier to translate the content or if a screen reader is required. Alternatively, for those who prefer post, it could be because they are not digitally equipped, or find traditional forms of communication easier to digest. We feel that both digital and paper versions also have the ability to support sharing amongst neighbours and community members, possibly further enhancing the reach of the information and rollout.

After the smart meter notice is sent, it is our assumption that the requirements for a planned interruption will follow, and as such we recommend notifications under 59C of the NERR should also include the details or link to the proposed smart energy website.

Further, the use of SMS should be considered for sending reminder notifications (if not already part of current process). An SMS acts as an additional delivery form and potential safeguard if the original notices were missed, lost or forgotten about. This is particularly important for life support customers, small businesses and other consumers who are more vulnerable to an outage. Like the above recommendation, an SMS should include the website link and a contact phone number.

We also note that there may be a role for state or local government to deliver a public awareness campaign prior to the retailer smart meter notices being sent that outlines what consumers may expect and the reasons why. We know from our Energy Consumer Sentiment Survey[7] (ECSS) that consumer trust in retailers is very low, and while the proposed website will go some way to supporting public education and engagement, direct communication from a trusted source may yield a more positive response when the retailer notices are received. In saying this, any communication strategy or campaign should ensure it's directly meeting a need or filling a gap to avoid oversaturation and risk consumers 'tuning out.'

8. Remove requirements for the testing and inspection of legacy meters.

While we acknowledge there would be benefits to removing this requirement, such as improved efficiencies and lower costs, this depends on the plan set out by industry. For example, if the retirement plan is predominantly set out by geographical location this may leave older legacy meters at more risk of failures. We believe removing the requirements for testing and inspections of legacy meters should be considered alongside the industry-led plans to prevent any further risks to consumers through an accelerated rollout.

[7] https://ecss.energyconsumersaustralia.com.au/sentiment-survey-dec-2022/

9. Consider a process to encourage customers to remediate site defects and track sites that need remediation.

We agree that current regulatory arrangements need to be addressed to support the acceleration. The Draft Report notes that the proposed process will a) encourage more financially able customers to remediate and b) support greater transparency of site defects and improved deployment efficiencies. We see some room for improvement with the process as outlined in Figure B.1 to achieve these intended outcomes.

Firstly, we highlight that the drafted process places the burden on consumers to action and complete a task they did not request, and perhaps see as necessary. Understanding and alleviating the burden where possible will enable a more successful rollout. We heard from some Victorian DNSPs that a large proportion of site remediations they faced were considered minor (in cost, and effort) and contractors were equipped to undertake the remediation on the spot. With this in mind (and further to the below) we think it may be worth exploring whether a tiered remediation process that is triggered based on levels of cost, effort and safety is feasible (cost vs benefits). For small to medium remediations equipping the installer of the smart meter to be able to perform the upgrade may alleviate the need for an arduous remediation process (for what may be a minor fix), reducing costs, burdens to the consumer, and deploying more smart meters instead of stalling at the remediation stage. After all, safety reasons aside, what is the incentive to drive consumers to remediate?

We agree that information from the retailer regarding the remediation is required, but we think there are a couple of things to consider:

Who is the call to action for?

In the Draft Report, the AEMC notes that vulnerable customers face higher risks of being excluded from the smart meter deployment. There are several reasons for this, including that the decision making around remediation may be out of their control if they rent a property or live in social housing. To this point, the AEMC notes the NER and NERR do not help address these issues and call on a wider response from Government and other jurisdictional frameworks.

However, we note the objective for the Review is “To enable the deployment of appropriately capable smart metering to consumers in a timely, cost effective, safe and equitable way...maximising benefits to all consumers.’

For this to be a successful rollout, we think there is a responsibility on the Final Report to work through these complex scenarios and provide direction. The report risks stopping short by, for example, recommending a defect notice requirement knowing it may be sent to someone who cannot act on the call to action.

To support this thinking, and what may be within the purview of the rules, the AEMC might like to consider how the notice could be better utilised. For example, the notice requirements could include the information or a direction that ‘if you are renting, this is what you need to do....’. Alternatively, the report could recommend developing a factsheet on the smart meter rollout (potentially as part of the proposed website) for real estate agents that makes them aware of their possible role and responsibilities if a tenant or the landlord receives a defect notice.

The Final Report could also, for example, make clear the steps required to address the rollout and potential issues for social housing so those responsible can start to prepare.

The AEMC plays an important role in dissecting and making transparent the on-the-ground issues that need to be addressed through the rollout and, making recommendations where possible, that ensure responsible parties take the required steps to address consumer pain points. If the report leaves much to the imagination, it will make the job considerably harder for others to pick up and see their part in the process.

Further, this rollout is required amongst other things to help meet the net zero targets that have been set by governments. We therefore ask whether a change champion or sponsor is required following the release of the Final Report. This would be to ensure the rollout drives the stakeholder engagement, support and action that is required and meets the overall objectives and milestones necessary for success.

Content of notice

In our 2019 Powershift body of research, we found that consumers may respond more positively to messages that are more targeted to their circumstances. This would, amongst other things, ensure they better understand why it is important or works for them and why they should act. While we are not suggesting bespoke letters for all customers, thinking about what can be done to help best address various groups and their needs at least cost should be further explored.

The process for notifying remediation also needs to be made as easy as possible for the consumer. Information on financial support for defects or remediation must be provided at each notification stage The notice must also be provided in plain language with clear calls to action, sent via preferred method, and provide support contacts (digital and a phone number). It should be clear that remediation does not impact the ongoing supply of electricity to their premises (unless there is a safety reason to the contrary).

Comment on timeframes

The time of the first notice from the Metering Coordinator (MC) to when the retailer determines the site unsuccessful is currently roughly five months. Current demand for trade and materials is significant and, while this may ease by the time the rollout starts to take effect, consideration needs to be given to these external factors. Informing consumers in the first defect notice of wait times is one option that could reduce potential frustration or confusion.

Comment on next steps

The drafted process appears to stop roughly six months after the first MC defect notice. This process could be extended and enhanced by considering the ongoing consumer experience. For example, when the property experiences a new move in, could this trigger a conversation or a letter that addresses the defect meter.

10. Consider arrangements to better support vulnerable customers who need to carry out site remediation.

We support the proposed option to seek government support for site remediation for financially stressed consumers. How this criterion is determined must be given careful consideration. COVID-19 demonstrated that anyone could experience vulnerability at any time, so we caution limiting available support to, for example, only concession card holders. The level of households and small businesses who are experiencing financial stress is only growing with cost of living increases and cannot be ignored when considering how support is administered.

In addition to financial support, we think help with the remediation process itself should be explored. A consumer may have the financial means to remediate their site but do not have the time or mental energy to start or see the process through. The Draft Report neglects to consider the mental barriers consumers may face in undertaking this process. Further, as consumers may not recognise their direct benefits immediately, time poor consumers may disengage at the first hurdle. While the proposed website may be able to offer some support here in terms of where to go for tradespeople or the typical costs for works, community engagement and work with local councils and community groups is also worth considering in order to achieve a universal and equitable rollout.

11. Improve industry coordination and minimising negative customer impacts in shared fusing.

While we support, generally, the all-in approach in managing multi-occupancy and shared fuse sites, we feel further work is required to understand the consumer experience and potential issues that may arise from the proposed process. This includes how residential and small businesses consumers are communicated to and supported.

Step three of the process notes that the DNSP, in consultation with the MC and customer, sets the date and time of the temporary isolation. However, it is unclear from Figure B2 how this operates in practice from the consumer perspective. For example:

- Who is the MC/DNSP discussing and deciding the date and time with?
- Is a Planned Interruption Notice (PIN) sent? The Directions Paper notes that a PIN does not need to be sent by a retailer or DNSP if the affected customers have provided consent, however, the process map only refers to one customer. Is the assumption then, that a PIN will be sent?
- If these are small business customers, how are businesses with varying electricity needs catered for?
- How are consumers on life support managed? Is there a likely scenario where a PIN would not be sent?
- What is the process and protection measures if someone in the building requires electricity for mobility or a disability need[8]?

Further to this, review of current business-as-usual and life support customer arrangements should be tested in light of the proposed multi-occupancy process and consider whether they are fit-for-purpose. This could also include testing if contingency planning is needed if, in fact, a life support customer is unable to have the power off on the day of the installation, or if there is more than one life support customer at the premise and have different electricity/scheduling needs.

If the multi-occupancy requires remediation, the Draft Report notes that the standard remediation process will follow. If the same process as single sites are applied, like the example given for social housing, the default notice may not have the right calls to action that prompt action or response.

We feel the customer journey needs further unpacking and stress testing to ensure the proposed processes work, including alongside with current processes, and does not come at a disadvantage to consumers in these multi-occupancy scenarios. We would be happy to work with the AEMC on unpacking the consumer journey further.

[8] In a recent report by Energy Systems Catapult '*How the changing energy system might impact disabled consumers*' 2023 it was found that 'amongst respondents 58% would be unable to manage without electricity for a short period (2-5hrs)'. Consumers who are living with a disability may not necessarily be protected by life support arrangements, and their journey in this process needs to be thought through.

12. Require retailers to provide important information in a clear, streamlined, and consistent way to small customers before any smart meter upgrade.

The information recommended for the smart meter notice is a good start however, to resonate with consumers, it should avoid including unnecessary and potentially complicated information, instead focusing on information that is relevant and meaningful to consumers. We consider this to fall into:

- what the change is,
- when the change is occurring,
- why the change is happening/why it is important to them,
- what they need to do, and
- where to go for help.

Information that doesn't sit within those categories may be better placed on the proposed website, point to an FAQs or to a contact phone number. Too much information could dilute the messaging or appear overwhelming.

However, changing the current rules in 59A of the NERR to a date range raises potential issues, particularly for small businesses who may have electricity needs that require more certainty to effectively operate. This is particularly so with the inability to opt-out. We suggest further consideration on whether this change is required in order to accelerate efficiently.

13. Develop a 'primary source' smart energy website to enable consistent and customer friendly information.

In Victoria lessons were learned when it came to public awareness. In December 2011 Consumer Action Law Centre noted that the lack of community education and the inability or unwillingness to explain the program to households, is an unfortunate hallmark of the smart meter rollout program[9]." While this was at a time where the Government announced positive steps to improve the program in this regard, the distrust and sour taste was clearly already felt.

We support the development of a smart energy website, to act as a single source of information and truth, when it comes to smart meters and the rollout.

As noted earlier we recommend there be a government led communications campaign to support the messaging around smart meters. This campaign could both promote the website, while also reach consumers who may not be able or wish to engage via a digital platform.

Website content

The list of information to be included on the website under Table C.1 is a good start by the AEMC, however, to be truly helpful we think more could be included. Below is a non-exhaustive list of further inclusions (some already raised above) for consideration:

- Information targeted to real estate agents, landlords and or other cohorts that may benefit from more tailored information.

[9] https://consumeraction.org.au/media-release-public-education-the-key-to-realising-the-benefits-of-victorias-smart-meter-rollout/

- Information on how to receive financial and more general support with a remediation. This could include information 'that addresses 'so you've been told your property needs remediation' what does that mean? What do you need to do? Including potential average costs, and what trade support is required/ where you might find a tradesperson.
- Printable fact sheets for local councils or other groups that may like to hand out information.
- Ideally a translation button or at least a FAQs in several different languages as well as easy English.
- Complaint handling information.
- 'Myths' about smart meters – this is to help ease consumers who are concerned about the telecommunications or information heard that may raise concerns about smart meters.
- A web chat function, or at the very least an FAQ's.

The AEMC's list includes 'other relevant information like privacy'. Given in the SECNewgate research found that privacy was the second highest concern of customers with smart meters[10], we think a section for privacy and 'how is your data used' is an important inclusion. In the Consumer Policy Research Centre's 2020 Data and Technology Consumer Survey, they found 94% of Australia's are uncomfortable with how their data is used, but also 94% of respondents said they did not read privacy terms and conditions[11]. These feelings and behaviours of consumers should be taken into account when designing how best to talk about privacy and data use on the website.

Website design

The website design should meet web accessibility guidelines, using plain language and headings to help consumers digest the information. We recommend user testing and customer feedback, again to ensure the website is fit for purpose.

Website reach

If the website is built, avenues should be explored as to how best build awareness, this may include within installation notices, as well as through a government-based communication campaign. The website will also need to stay relevant and will not work as a set and forget platform, and as such will require ongoing funding and maintenance.

Who should host the website?

In our view, there should be an independent website that is a trusted source of information, such as the role played by Smart Great Britain in the UK, and it needs to be adequately funded.

14. Allow for and accept customer's requests for a smart meter from the retailer for any reason.

We support this recommendation.

15. Implement appropriate replacement timeframes for meter malfunctions.

No additional comment.

[10] https://www.aemc.gov.au/sites/default/files/documents/newgate_research_full_research_report_-_metering_review.pdf
[11] https://cprc.org.au/cprc-2020-data-and-technology-consumer-survey/

16. Removing the malfunctions exemptions process currently administered by AEMO.

No additional comment.

17. Addressing customer risks from automatic reassignment to a new tariff structure.

Not all consumers want to or have the ability to participate in time varying pricing[12]. Some may only want to participate in a specific time period or only using a certain device. To assume that all consumers all of the time need to be responding to the same retail price signals does not acknowledge the diverse behaviours, needs (personal and business), housing, lifestyle or socioeconomic backgrounds of Australian households and small businesses. Consumers who don't have the ability to benefit from time of use pricing shouldn't be forced into these retail pricing structures. This is why we are concerned with the transitional period as recommended by the AEMC. While it may prevent initial bill shock, it will still see consumers being forced onto pricing structures which they can't benefit from following the transitional period. Instead, we recommend the AEMC address the following before implementing any policy on tariffs and pricing:

Consensus within the energy industry on clear consumer outcomes for pricing and tariffs.

In November 2022, Energy Consumers Australia published research into *"Industry perspectives and electricity tariffs and retail pricing"*. The final report outlines sentiment that there was a lack of consensus across industry towards the role of the retailer, and in turn the network when it comes to pricing. There were also views that there wasn't a united goal and 'overall strategy' for network tariff and retail pricing reform.

Some questions that the interviews raised were:

- Are we aspiring for a transition towards full cost-reflective *network tariffs*, or cost-reflective *retail prices*? This notes that a consumer can be on a cost-reflective network tariff (as they are assigned to a customer) but remain on a flat retail price.
- Are retailers to pass on the increasingly complex network tariff structures, or is there role similar to the wholesale market, where their role is to 'smooth' out fluctuations?
- Are networks designing their tariffs for the consumer or the retailer? Equivalently, who is best placed to design consumer facing price structures – is it networks or retailers?

The current uncertainty around desired outcomes and, consequently, roles, requires addressing before deciding on a policy direction for tariffs and pricing. To do this we recommend broader consultation separate from the Review and a reframing of the current network tariff and retail pricing process from a consumer outcome perspective.

Consumer trust and awareness needs to be addressed through an awareness and information campaign on time varying pricing.

Time varying pricing is a tool consumers can use to save on their energy bills, but it needs to be supported by a broader information and awareness campaign. SECNewgate's research found consumers had little awareness over how they could benefit from time of use pricing and as a result were sceptical[13]. A broader education campaign, run by the government or an independent body, would help address this lack of understanding and knowledge. It is important that this is run by a body

[12] https://energyconsumersaustralia.com.au/wp-content/uploads/Final-Report-ECA-Tariff-and-bill-preferences_-Dec-2022_LG.pdf

[13] https://www.aemc.gov.au/sites/default/files/documents/newgate_research_full_research_report_-_metering_review.pdf

which consumers trust and, while it may happen parallel to the smart meter rollout, that it isn't directly tied to the smart meter campaign.

18. Implement a power quality data access and exchange framework.

As system operators, DNSPs are responsible for maintaining the reliability and safety of electricity supply in their communities and therefore should have access to the data and information required to perform this role. As more Australians make the decision to purchase Consumer Energy Resources (CER), such as rooftop solar and home batteries, managing and planning for this system becomes a greater challenge. Without adequate visibility of networks, DNSPs may be more likely to act conservatively, increasing costs for consumers. Access to smart meter data should help DNSPs operate a cheaper, cleaner, and more reliable energy system.

There is a role for the regulator in a power quality access framework that delivers smart meter data to DNSPs. Metering coordinators currently have a monopoly over smart meter data and ultimately it will be consumers who bear the cost of their own data being exchanged and shared. Without transparency and regulatory oversight, we are concerned about what the framework will not deliver the least cost outcome for consumers and a lack in consistency.

19. Enable innovations in access to (near) real-time data.

As Australia's energy system transitions to more renewable fuel sources, such as wind and solar, there will be frequent periods of energy abundance (for example in the middle of the day) and scarcity (evenings and winter). Giving consumers the tools and services, they need to harness these periods of abundance and limit their energy consumption during periods of scarcity will help consumers keep their energy bills down and lower overall system costs. One of these tools is access to their own data in real time from smart meters.

Access to insights provides by real time data on energy consumption and generation can help consumers understand and adapt their own behaviour if they have the ability. Our research found that consumers want this information and believe it would help them change their behaviour. In June 2021 we asked consumers in our ECSS[14] if they thought having access to energy consumption data would help them reduce their electricity. 60% of households said that access to data would help a fair amount to a lot. 58% of households said they would be interested in receiving access to overall energy usage followed by 56% who said they were interested in an appliance breakdown. Looking across at other essential services such as banking, where 63.6% of consumers use mobile banking apps to access real time information on their accounts[15], it is clear that consumers want and benefit from access to their data in a clear, timely and accessible manner.

Making smart mater data available, locally from the meter, will also help support a competitive future service industry producing tools and products that help assist consumers in optimising their energy resources or usage. Services such as CER participation in Frequency Control Ancillary Services (FCAS) markets or flexible export limits require access to real time power data measured at the connection point for control and orchestration of the CER in the provision of such grid services. It is essential that smart meter power data (voltage, current, power factor etc) is accessed locally in real time from the smart meter as currently remote data is not real time due to communications and other delays. While we are yet to understand the full range of future services or products that may be offered to consumers, it is important we future proof by rolling out smart meters capable of facilitating

[14] https://ecss.energyconsumersaustralia.com.au/sentiment-survey-june-2021/featured-content/
[15] https://www.roymorgan.com/findings/mobile-banking-apps-and-the-internet-are-more-satisfying-for-customers-than-branch-visits-or-phone-banking

these services. In an increasingly flexible energy system, we need to give consumers the tools they need to benefit from this flexibility and keep bills as low as possible.

Currently the Nation Elecricty Rules (NER) and National Energy Retail Rules (NERR) do not give small customers and their representatives the right to access energy data from their meter. The NER and NERR defines two categories of data relating to electricity consumption or export:

1. Energy data - which is defined as the data that results from the measurement of the flow of electricity in a power conductor and is held in the metering installation, and
2. Metering data - energy data once it has been collected from the metering installation and recorded in the Metering Data Provider's metering data services database and AEMO's metering database.

Consumers do have a right to access metering data, however, this data can only be accessed via a customer's retailer and is not real time. In addition to a lack of explicit right to energy data in the Rules there are also physical and communications barriers to this access. Physically, the communications port enabling local access to the meter is often sealed. These seals may only be broken (and replaced) by an accredited service provider which can often result in a call-out fee for the customer. Once access to the port is achieved, the metering installation must also meet interoperability standards and communicate in a "language" that can be read by other devices.

There are a number of changes to the NER that would be required to provide consumers with access to real time data from smart meter installations. We recommend the AEMC consider these in light of the current review.

1. We agree with the AEMC's recommendation that a new definition of 'power quality data' in the NER is required and support the proposed drafting presented by the Draft Report. We do suggest the AEMC consider future proofing the NER further so that small customers and their representatives can access other relevant data available from their metering installations. This could be done by defining customer power data so that the categories of data captured by the definition are expanded through AEMO procedures. For example, by defining customer power data as voltage, current, power factor and any other category of data specified in the relevant AEMO procedures as customer power data.
2. Changes required to clause 7.15.5 of the NER:
    - to provide small customers and their customer authorised representatives with a right to access customer power data.
    - access to customer power data should only be provided where passwords are allocated (in the same way as energy data under clause 7.15.5(a)),
3. The provision of real-time customer power data should be defined as a minimum service in the minimum services specification in schedule 7.5 of the NER, with small customers and their authorised representatives defined as access seekers.
4. Changes required to clause 7.6.1 of the NER to require the Metering Coordinator to provide the customer power data service and to specify that the Metering Coordinator should not charge customers or their representatives for accessing the service.
5. To enable local access to customer power data, the NER would need to provide for communications ports on new small customer metering installations to be unsealed and available for access by approved parties. This requirement could be captured in the minimum services specification requirements in schedule 7.5 of the NER.

6. In addition to physical access to the communications port, the metering installation must enable customer power data to be communicated in a secure environment and in "language" that can be read by other devices.
7. Changes to the NER to define "real-time" access to data may also be necessary.

The AEMC will also need to consider how any changes to data access will impact the consumers who already have a smart meter installed. Any changes to the physical meter might mean that customers that have a smart meter will be disadvantaged. Understanding and communicating to consumers already with a smart meter what options they have to access their energy data will be critical in an accelerated rollout. This information could be included in the smart energy website but also should be disseminated by consumers' retailers.

20. Evaluate consumers' concerns about privacy.

We agree that at this stage, the Privacy Principles and the Rules already in place for market participants seem adequate. However, the emergence of new products and services, and how they might intertwine with metering businesses should be monitored to ensure the current landscape remains fit for purpose. Under the website recommendation, we have also highlighted how we might address consumer concerns on privacy and smart meters. As noted in the Draft Report, privacy fears more broadly are a very live issue for consumers, and websites such as 'Stop Smart Meters Australia', while relatively small, are active (last post January 2023) and could gain traction with the rollout. The AEMC, and the regulator, therefore, need to be diligent when it comes to smart meters and the real concerns consumers have in order to ensure consumers do not lose confidence and trust.