

30 May 2024

Ms Anna Collyer  
Chair  
Australian Energy Market Commission

*Submitted online*

**Submission to the Australian Energy Market Commission's on the Acceleration of Smart Meters Draft Determination**

Dear Anna

Energy Consumers Australia would like to thank the Australian Energy Market Commission (AEMC) for the opportunity to comment on the Draft Determination for the Acceleration of Smart Meters.

ECA continues to support a pathway that accelerates the roll out of smart meters. Consumers tell us they want the future energy system to be affordable, reliable, and clean<sup>1</sup>. Smart meters are necessary infrastructure to achieving this.

However, many consumers also tell us they lack the information and tools to help better understand their energy use (to help lower bills).<sup>2</sup> The AEMC note that '*accelerating smart meters, will provide the data necessary for customers to make informed choices.*' Therefore, it is critical that as a key component of the roll out, we are ensuring consumers have unfettered access to their energy data, in a format that makes sense to them, and in real time. Recognising this need, ECA will shortly be submitting a rule change proposal to the AEMC on access to real time data and note the importance that within this final determination, the AEMC is mindful of how the two will harmonise.

With regards to this draft determination, we would like to draw AEMC's attention to the following areas where we consider improvements could be made:

- Customer safeguards
- Improving customer experience

While outside the AEMC's scope, we also further stress the importance of support measures being in place for consumers who may require site remediation before a smart meter can be installed and are unable to pay for these upgrades. This is to best ensure no one is unwillingly left behind and that we are not furthering the energy equity divide.

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<sup>1</sup> <https://energyconsumersaustralia.com.au/projects/consumer-values-expectations-and-needs>

<sup>2</sup> <https://ecss.energyconsumersaustralia.com.au/sentiment-survey-dec-2023/confidence-household-sentiment-dec-2023/>

## Draft Determination Comments:

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### 1.1 Customer safeguards

We remain concerned that the smart meter roll out will result in consumers being moved onto a time varying retail price following the installation of a smart meter, without their consent, and often without the ability to move back to a flat rate price. We do not support the AEMC's decision to maintain the 'status quo' when it comes to retail pricing for smart meters.

While we appreciate the additional measures the AEMC have drafted to better equip consumers with advance notice of a change to their retail pricing structure, i.e. from a flat tariff to a time of use tariff (an improvement from the current process of no advance notice) it does not mitigate potential harms (including higher electricity bills) or potentially increase consumer distrust in the market.

Not all consumers have the ability to participate in or benefit from a time varying pricing. To assume this, is to ignore the diverse behaviours, needs, housing, or socioeconomic backgrounds of Australian householders and small businesses. For example, Energy Systems Catapult in the UK in a recent [report](#) highlighted their concern that '*expensive peak-time energy could disproportionately impact disabled consumers – many of whom rely on energy for essential medical equipment and mobility aids*'. Further, we know many Australians live in leaky homes<sup>3</sup>, therefore, pre heating and cooling in off peak times is not a viable option for them. This becomes of particular concern and risk for people who may need heating/cooling for medical reasons or for the elderly.<sup>4</sup>

While one may argue that a customer could 'just' opt out of time varying pricing if deemed not suitable, if this is even a possibility, the burden is still being placed on the consumer to navigate a market they tell us is too complex, and for a change they did not sign up for. Instead, we would like to see the energy market work as intended and produce products and services that entice people to take up these kinds of options, instead of penalising people who are unable to change the way they use energy.

Currently networks are designing complex time varying tariffs that are often being passed through by retailers to consumers. We believe networks should be designing these tariffs in conjunction with and for the retailer. The retailer then has the foundations and responsibility to create appealing products and maintain, simple solutions for consumers who cannot engage with complex pricing structures. This approach also best serves grid management, as these offers are more likely to attract customers with CER and those who are interested in load shifting and or responding to demand needs. Until this is the status quo, consumers should not be moved onto a new pricing structure without their informed prior consent. Doing otherwise further undermines the low trust in the sector that we already see from consumers.

We appreciate there is an upcoming review into tariffs and pricing. However, we recommend the AEMC carefully considers how a change or recommendation within this process may avoid any additional consultation or changes (once the roll out starts to take form) as well as send a signal to industry of what needs to change to better serve all consumers.

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<sup>3</sup> <https://www.climateworkscentre.org/project/renovation-pathways/>

<sup>4</sup> <https://vcoss.org.au/wp-content/uploads/2024/04/EHN-provocations-full.pdf>

### *Notice - change to retail pricing structure*

In specifically addressing the content of the notice required when a retailer changes a customer's pricing structure, we have the following recommendation.

The drafting entitles a customer to be told that they can ask for '*an estimate of what their historical bill would have been under the varied tariff compared to the bill they receive under the existing tariff*'. This call-to-action places undue onus on the consumer to seek out information, despite one of the very points of the notice being to provide better information. A rule which is acting as a safeguard for consumers should not at the same time include, additional barriers to a safeguard measure.

Under current price change notification rules, retailers are required to provide a summary of the existing and new prices to help customers to better understand what the change will mean for them. We recommend, where possible, a similar comparison be provided with this notice – this is alongside information to a customer that they can access historical billing and energy usage data.

### *Customers experiencing family violence*

While not directly noted in the draft determination, we feel it is important that the AEMC is proactive in reminding industry of their obligations under the family violence provisions. For example, there may be an instance where a person experiencing family violence is very concerned about having a smart meter at their premise. The relevant parties (and their agents) must consider how to ensure the safety and needs of this customer and the process that best follows.

## **1.2 Improving the customer experience**

### *Notice - meter replacement*

We remind the AEMC that information provided to consumers should be relevant, meaningful to them and be clear and simple to digest, noting too much information could dilute the message or appear overwhelming.

To the list in [Box 8](#) we recommend:

- Being explicit that the inclusion of retailer contact details includes a phone number.
- When providing information of summary of services, including how customers can benefit, we should ensure that this remains true of the benefits at the time of installation. Anything outside this scope may set expectations from the smart meter installation that may not yet be realised (again potentially fuelling distrust in the sector).
- Making clear that the notice be written in simple language, written based on the information the customer needs, and is accessible; noting if it is being delivered by email, the notice should follow the web accessibility guidelines.

The roll out of smart meters supports a smarter and in the long term a more affordable and cleaner energy system for all consumers. However, despite this, the roll out brings about change for consumers that they did not request, will likely cause disruption (for some more than others), and for some come at a cost, particularly for small businesses. To encourage engagement and participation in the market, consumers must trust that the market is working in their interests. The draft determination makes it clear the importance of social licence to a successful roll out. We therefore encourage the AEMC to carefully consider how facets of this draft determination work for, or against consumers, and what impact this has on consumers potential confidence in the energy market and of smart meters more broadly.

We thank you again for the opportunity to comment in these final stages of the consultation process to the acceleration of smart meters. For any questions with regards to this submission please feel free to contact Melissa McAuliffe at [melissa.m@energyconsumersaustralia.com.au](mailto:melissa.m@energyconsumersaustralia.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jac', with a stylized flourish at the end.

Jacqueline Crawshaw  
Director Energy Services and Markets