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Dear Ms Collyer

Review of the Regulatory Framework for Metering Services (EMO0040)

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback to the Australian Energy Market Commission (AEMC) Draft Report: *Review of the Regulatory Framework for Metering Services*.

The CEC is the peak body for the clean energy industry in Australia. We represent and work with Australia's leading renewable energy and energy storage businesses, as well as a range of stakeholders in the National Electricity Market (NEM), to further the development of clean energy in Australia. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC is pleased that the AEMC is undertaking a review of the regulatory framework for metering services and hope that our recommendations can provide insight into the feasibility and potential impacts of the proposed changes.

The CEC believes that widespread uptake of smart meters will accelerate Australia's transition to a clean energy future. As the AEMC touches on in its Draft Report, the rapid uptake of consumer energy resources (CER) is playing an important role in supporting the country's net zero emissions target, and smart meters are a crucial element in this transition. This is because smart meters have the capacity to provide customer benefits with or without CER: by allowing customers to better understand and manage their energy use; improve network management and performance; and to facilitate innovation. The cost-benefit analysis provided for in the Draft Report shows significant net benefits to customers and the network.

In order to provide wider benefits, a smart meter should be able to provide a minimum data set and not just support remote consumption, data access and disconnection. Failure to agree on a minimum data set will lead to DNSPs and other stakeholders having to duplicate monitoring to gain the insights necessary to facilitate wider rollout of CER. Duplication increases complexities and costs for customers.

As is further expanded on below, providing real-time meter data to customers will host a range of benefits, including:

- a) enabling customers and their agents to optimise CER asset life, performance and compliance;
- and

- b) enable customers to manage their energy costs through understanding their energy usage in real time.

Distributed Network Providers (DNSPs) also need access to data covering 5-minute readings of voltage, current and phase angle for both import and export, provided every 6-24 hours for all of the smart meters operated by any given provider.

AEMC's goal: 100 percent uptake of smart meters by 2030

The CEC strongly supports the AEMC's goal of 100 percent uptake of smart meters by 2030. A 2030 target is considered appropriate as it allows time for regulation to be adjusted, workforces to scale up and to overcome the current difficulties to change meters.

We commend the AEMC for compiling and reviewing cost-benefit analysis on the implementation of smart meters as it breaks down the economic case for the acceleration of smart meter deployment. With that in mind, customers will need to be provided with effective information and education to support social licence and the accelerated rollout of smart meters with the appropriate specifications.

New measures are needed to achieve a timely deployment of smart meters

The data outlining the current uptake of smart meters illustrates the necessity for improving the existing metering arrangements. Whilst we note the Draft Report provides a very high-level overview of each of the 4 options to improve the uptake in smart meters, the CEC considers the AEMC's proposed *Legacy meter retirement plan* (Option 1) to be a viable option. Furthermore, the CEC considers the AEMC's initial principles guiding the plan's development appropriate.

Precautions should be taken however, as the number of stakeholders intended to be involved may impact the efficiency and effectiveness of the development of the plan. However, if this challenge is managed appropriately, the number of stakeholders involved will be an advantage as it ensures the positions of key industry stakeholders are considered and developed through collaboration.

The CEC considers the opt-out provision could hinder the efficient deployment and benefits of smart meters and as such, recommends removing the opt-out provision. As is further outlined below, it is important to ensure effective communication accompanies the smart meter rollout and that customers receive direct tangible benefits from installing a smart meter.

Additionally, removal of the option to disable remote access is appropriate – this is one of the real benefits of a smart meter.

Supporting customers through the transition

Strong public campaigns and effective communication to customers is required to ensure the positive benefits (that outweigh the costs) and safety measures of the smart meter deployment are understood by customers. Not only will this ensure for a smoother and accelerated uptake of smart meters, but it will also prevent the spread of misinformation that can impact the rollout of smart meters (e.g., what has occurred in the UK and some Australian states).

Unless the requirement to install a smart meter is legislated, a benefit needs to exist for customers to encourage the uptake in smart meters. The cost-benefit analysis compiled by Oakley Greenwood highlights the economic benefits of smart meter deployment. This information needs to be provided to customers to support their understanding and participation in the uptake of smart meters.

The CEC supports the AEMC's recommendation that new customer safeguards should be put in place that require retailers to provide greater transparency on changes to tariff arrangements as well as any upfront charges that customers may face as a result of meter exchange. For example, ensuring that customers are informed ahead of time that their tariff may change when they receive a smart meter. This will help enhance their understanding of flexible tariffs and support their

experience, assisting with reducing the number of dissatisfied customers after the smart meter installation.

Customer access to data

The CEC strongly supports and encourages the AEMC in developing opportunities that enable free customer access to real-time data (e.g., every 5 minutes, or minutely in the future) from their smart meters. Providing customers with access to their real-time data recognises the inherent right customers have to *their* data. Customers have already paid for their meter and so their right to access their data should be recognised. It would be unreasonable to make customers install a smart meter, make them pay for it, make the data available to other market participants, while not giving customers access to the data that they need to manage their own electricity generation and demand.

Not only will this improve customers' experience, but it is also critical for ensuring smart meters reach their full potential in what they can offer the NEM, through the provision of data to facilitate system operation and optimisation. This will ultimately accelerate Australia's transition to a clean energy future.

The benefits smart meter data provides to customers with CER have already been articulated, but customers that do not have CER will also be able to utilise the real-time data that the smart meter provides to benefit from this energy transition, helping them manage their energy costs, and - through increased provision of data enabling the network to be efficiently utilised without additional network augmentation - reducing overall network costs for all customers.

As is indicated in the Draft Report, giving customers access to real-time data will empower them to better understand and manage their energy use, engage with, and participate in the NEM, either directly or through their agent, and ultimately lead to financial benefits for customers. For example, better understanding energy use may involve learning what appliances in the home are using the most energy and how to optimise energy use to take advantage of rooftop solar generation or time-of-use tariffs; or being able to subscribe other smart devices in the home to this data feed so they could use it to optimise energy use automatically.

Furthermore, providing all customers with free access to their real-time data will only increase customer engagement with the NEM and provide critical insights into their electricity usage. Ultimately, this means Australia's transition to a clean energy future will only accelerate.

Critical elements required in the framework

In regard to the regulatory measures needed to enable access to real-time data, although remote access is an improvement on the current accessibility for customers, it is not a sufficient solution. A framework only allowing for remote access would reinforce the role of the retailer as the gatekeeper of customers' data.

Furthermore, it is an inefficient way for customers to access their data. Currently, the flow of data, via Meter Coordinators (MCs) and multiple other stakeholders before being accessible by the customer, separates the customer from the moment of energy use to knowing the impact of that use. Direct local access to data would provide immediate feedback to customers on their energy use and facilitate the development of novel business models to support customers in managing their energy. The CEC encourage changes to be made that will allow customers to locally access their meter data in real time.

Customers should be able to assign *their* real-time data to an agent, allowing the agent to manage the customer's energy use to the benefit of the customer. For example, customers should be able to assign their own data to agents such as an energy manager, trader or DNSP. We note that care must be taken in these circumstances however, to ensure that the authorised agent is an appropriate party and that the customer has not been coerced into sharing their data – this would

include having appropriate customer protections in place. Local *and* remote real time access would allow customers or their authorised representative to participate in the spot market and see their usage data quickly enough to be meaningful. As such, changes need to be made to allow customers free local, real-time access to their data.

Current barriers

The National Electricity Rules (NER) currently prevent consumers from accessing their real-time data from their meters, as such the NER will require changes to overcome the current barriers.

The AEMC should, at a minimum, amend the NER. As it currently stands, the NER prevents consumers from accessing their real-time data from their meters.¹ As such, the following clauses of the NER should be amended:

- Clause 7.10.1(a)(8): to allow for local and remote, real-time access, and include access for *retail customers*.
- Clause 7.15.3(a): to allow *retail customers* access to local, real-time access.
- Clause 7.15.4(c): to allow *retail customers* access to local, real-time access.
- Clause 7.15.4(e): to allow *retail customers* access to local, real-time access.
- Clause 7.15.5(c): to include *retail customers* as persons that may access or receive metering data.

Any rule change to support customer access to their data should not delay the rollout of smart meters but be progressed as a matter of urgency to ensure customer benefits are maximised.

In addition to the rule changes required, a review of the minimum meter technology specifications will need to ensure that any new smart meters support customer access to their own data in real time locally. As noted in the Draft Report, not all meters have local access ports, however local access can be implemented at a minimal cost.

As is outlined above, the current flow of data raises the issue of how customers can access their data directly. A range of approaches have been proposed to overcome the barriers of the flow of data. Additional mechanisms, such as AEMO's proposed Flexible Trading Arrangements which seeks to add an additional meter specifically to manage exporting CER, continue to add further complexity and costs for customers managing their CER. Requiring a second meter (or multiple secondary meters) in an environment where even deploying the primary smart meter is difficult, will be counterproductive to the aims of reaching 100% coverage by 2030. Therefore, real time direct access to their smart meter data avoids the need for more customers to invest in other more complex approaches or fund the costs associated with duplicating metering infrastructure (including DNSP monitoring devices).

The most efficient and effective way for customers to access their data is directly from their meter, without the need to go via the MC or the retailer. This would maximise opportunities to understand energy use in real-time and facilitate participation in markets.

DNSP access to data

More timely access to basic power quality data would be useful for DNSPs in the investigation of specific issues related to safety (neutral fault detection) and allow analysis to understand and track network performance and inverter compliance. Having regular access to this data will enable DNSPs to react to these faults sooner.

¹ National Electricity Rules, clause 7.10.1(a)(8)

It is important to note that basic power quality data should be determined before a framework is implemented. CEC members have outlined that in previous AEMC Working Groups, basic power quality data means:

- 5-minute readings of voltage, current and phase angle for both import and export;
- recorded for each element in the meter; and
- delivered for 100% of installed smart meters in a batch at least once every 24 hours - preferably every 6 hours for circumstances such as detecting faults.

We support the proposal to enable DNSPs access to power quality data as it will underpin the routine safe operation and management of the distribution networks, particularly as more DER connects. However as has been previously discussed in webinars and forums held by the AEMC, the 'beneficiary pays' arrangement would see the customer pay (who is already paying for their smart meter) for the additional price of data services procured by the DNSPs. This is because the current framework - which requires DNSPs to negotiate with multiple unregulated monopoly MCs to gain commercial access to data - results in reasonable DNSP operating costs being passed directly through to customers in the NEM.

Given the MCs monopoly position, DNSPs are unable to negotiate a fair price which ultimately leads to increasing costs for customers. Previous suggestions included allowing DNSPs to access a specific set of data for regulated and agreed prices. However, the complexities of setting regulated prices and appropriate benchmark prices, supports the requirement for basic power quality data to be provided to DNSPs at no cost as part of the metering service, as is the case for metering data provided to AEMO.

Consideration of options for remote and rural customers

While we strongly endorse the need for a 100 % rollout of smart meters by 2030, no opt out provision and recognise the broad benefits access to smart meter data can provide, we acknowledge that in some remote and rural locations, telecommunications and legacy metering arrangements may not support a smart meter. In these situations, requiring a smart meter will result in increased costs to the customer with none of the benefits since the meter will still need to be manually read. Consideration for some very limited exceptions to the requirement for a smart meter is needed to encompass these issues.

Thank you for the opportunity to respond, we would be very happy to discuss these issues in further detail with AEMC and to facilitate engagement with CEC members as part of the Review. If you would like to discuss any of the issues raised in this submission, please contact Emily Perrin on eperrin@cleanenergycouncil.org.au.

We look forward to contributing further to this important area.

Yours Sincerely



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