



Clean Energy Council submission to the Department for Energy and Mining consultation paper: Accelerating the roll out of smart meters in SA

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback on the Department for Energy and Mining (DEM) consultation paper, *Accelerating the roll out of smart meters in South Australia*.

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 rooftop solar installers, 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 *Competition in metering* policy has been a major disappointment. The Australian Energy Market Commission (AEMC) has been too slow to address the failure of its metering policy. As DEM acknowledges, the roll out has been too slow and most smart meter installations are related to installation of solar PV systems. Roll outs initiated by retailers have been minimal at most.

Consumers are paying for the smart meter roll out without realising the smart meter benefits. Smart meters can be beneficial but unless the data is accessible there is insufficient value for consumers. The potential benefits have not been realised due to difficulties with accessing the data in a useable form. The current arrangements for negotiating access to metering data are inefficient and are not contributing to the long-term interest of consumers.

The CEC's preference is for a target-based roll out, requiring replacement for a percentage of customers each year. The CEC is opposed to the use of demand-response appliance installation as a trigger for meter replacement because it could act as a disincentive to uptake of demand-response appliances. Already, the smart meter roll out is inequitable because it is being imposed selectively on customers who install solar PV systems. To make matters worse, cost-reflective tariffs are being imposed selectively on customers with smart meters. The AEMC has acknowledged that this discourages customers from obtaining a smart meter. The regulatory framework should not single out a relatively small group of customers for the mandatory smart meters and cost reflective tariffs.

We understand that the specifications for the 'smart' meters is outside the scope of this review. Nevertheless, we must alert DEM to the risk that it will be speeding up the rollout for meters that are not capable of doing what is needed from the device at the connection point. Rolling out 'smart' meters at scale in SA with the current default billing meter specification will result in a huge legacy fleet of meters that are unable to support the transformation to a dynamic connection point that leverages consumer market participation.

We would be happy to discuss these issues in further detail with representatives of DEM. We look forward to contributing further to this important area for policy development.

Roll out approaches supported by CEC

The CEC prefers *Option 2 – Target based roll out*, which would require replacement of a certain percentage of small customers' type 6 meters each year. This would allow electricity retailers the flexibility to determine the most efficient pathway for them to meet their installation targets. This approach could potentially be combined with *Option 1 – Smart meter requirement for controlled load* if replacement of smart meters for controlled load would count toward the target under *Option 2*.

We are less supportive of *Option 3 – Age-based meter replacement*. Requiring meters to be replaced once they have reached a certain age would impose logistical costs on the roll out. It would be better to allow retailers to target a particular area (for example) to meet targets rather than having to travel across the country for a meter replacement whenever a meter reaches thirty years of age.

Roll out approaches opposed by CEC

We are opposed to *Option 4 – Demand-response appliance installation trigger*. This could act as a disincentive to the adoption of demand-response appliances. We want to encourage demand-response appliances. We don't want additional costs and disincentives placed on customers who are considering purchasing demand-response appliances.

The current approach to the roll out is inequitable and *Option 4 – Demand-response appliance installation trigger* would exacerbate the problem. The roll out of smart meters has been largely paid for by customers who are required to install a smart meter as a condition of connecting distributed energy resources (DER). Very few customers request a smart meter because they want a smart meter per se.

Cost-reflective tariff reform is primarily being imposed on customers who have been forced to install a smart meter. As the AEMC has acknowledged, concerns over tariff reassignment are a disincentive to request a smart meter. If cost-reflective tariffs are to be imposed on unwilling customers, they should be imposed on all customers and not just on a limited cohort.

Smart meter specifications

There is an emerging consensus among policy makers that dynamic export limits will apply at the connection point. Policies, standards, and guidelines for interoperability are under active development and the Common Smart Inverter Profile Australia (CSIP-Aus) is being considered for application to DER.

A high priority should be to ensure that the device at the connection point can support use of CSIP-Aus. We strongly urge DEM to consider whether CSIP-Aus capability should be required of the 'smart' meter or whatever other device might take its place at the connection point. If DEM is unable to support this proposal, we would greatly appreciate an explanation of how dynamic operating envelopes at the connection point and coordination of multiple DER devices behind the connection point are expected to work if the meter occupies the connection point and lacks the required functionality. It would be a very poor outcome for consumers if multiple DER devices behind the connection point are each required to be interoperable and with their own meters while the 'smart' meter at the connection point remains incapable of doing what is required.