



EnergyAustralia

8 October 2015

Richard Owens
Senior Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged electronically: www.aemc.com.au

Reference ERC0182

EnergyAustralia Pty Ltd
ABN 99 086 014 968
Level 33
385 Bourke Street
Melbourne Victoria 3000

Phone +61 3 8628 1000
Facsimile +61 3 8628 1050

enq@energyaustralia.com.au
energyaustralia.com.au

Dear Mr Owens

National Electricity Amendment (Meter Replacement Processes) Rule 2015 Directions Paper

1. Introduction

EnergyAustralia welcomes the opportunity to comment on the National Electricity Amendment (Meter Replacement Processes) Rule 2015 Directions Paper. We are one of Australia's largest energy companies, providing electricity and gas to over 2.5 million household and business customers in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. We also own and operate a multi-billion dollar portfolio of energy generation and storage facilities across Australia, including coal, gas and wind assets with control of over 4,500MW of generation in the National Electricity Market.

We support the Australian Energy Market Commission's (AEMC's) assessment that some aspects of Chapter 7 of the National Electricity Rules (NER) need to be amended to remove ambiguity and improve clarity of the meter replacement process. A further move to also minimise the period to complete a meter change should support a new meter being available on the day of the retail transfer or soon after.

2. Specific issues to AEMC's Proposed Policy Positions

Aligned meter change and transfer date

EA is concerned that while the AEMC is proposing that a meter change and transfer can occur on the transfer day this is unlikely to be evident on the day in the Market Settlement and Transfer System (MSATS) due to its delayed batch processing. It is important that the rules allow for this so that the meter read created by the meter change can also be used to trigger the customer transfer.

This is an important aspect of the meter replacement process as it can avoid a second site visit to obtain another meter read and hence reduce the meter replacement cost. We would support appropriate drafting of the rules and procedures to ensure this can occur regardless of the historical nature of the MSATS recording.

Large and small customers

Under section 6.1.1 of the Directions Paper the AEMC proposes that any rule change would apply equally to large and small customers. However, it is also acknowledged in the Directions Paper that under the new metering competition rules large customers can independently appoint their own Metering Coordinator (MC) and could therefore arrange for a meter change to occur independently to a transfer to another retailer. Whereas for a small customer an incoming retailer cannot undertake a meter change until the retail transfer has completed and they become the Financially Responsible Market Participant (FRMP). EA supports this differing approach for these two market segments as it reinforces the long term existing arrangement for large customers to appoint their own metering provider and avoids complexity for small customers.

While drafting changes to the rules the AEMC needs consider the impacts of Section 5 of the National Electricity Rules (NERR) "*Business Premise – aggregated application of upper consumption thresholds*" whereby an agreement to aggregate small customers as part of an enterprise has been achieved. In this circumstance, small customer sites need to be assessed as large and not restricted by the rules with their rights to select an independent MC and change their meter at any time regardless of the status of a pending transfer.

3. Summary

EA appreciates the complexity of this rule change in the context of its application to both large and small customers and the transition to competition in metering. We acknowledge that many issues identified, reinforcing the need for this rule change, will largely diminish over time as existing basic meter stocks (for small customers) are replaced with advanced meters. Following this initial transition most customers will not have to change their advanced meter to receive the benefits of a new product from another retailer.

Nevertheless we believe this rule change assessment has delivered an appropriate review of the meter replacement process that will enhance the customer experience.

Should you require further information regarding this submission please call me on 03 8628 1437.

Yours sincerely

[Signed]

Randall Brown
Regulatory Manager