

11 June 2014

John Pierce  
Chair  
Australian Energy Market Commission  
By email: [aemc@aemc.gov.au](mailto:aemc@aemc.gov.au)



Your Ref: ERC0169

Dear Mr Pierce

### **Expanding Competition in Metering and Related Services Rule Change**

The Public Interest Advocacy Centre (PIAC) wishes to express its support for the submission made by the Alternative Technology Association and other consumer organisations on the Consultation paper for the Expanding Competition in Metering and Related Services Rule Change.

By way of background, PIAC is an independent, non-profit law and policy organisation. PIAC works for a fair, just and democratic society, empowering citizens, consumers and communities by taking strategic action on public interest issues. PIAC operates the Energy and Water Consumers' Advocacy Program (EWCAP), established in 1998, which develops policy and advocates in the interests of low-income and other residential consumers in NSW energy and water markets. PIAC receives funding from Trade and Investment NSW to carry out its work in this area.

In particular, PIAC would like to draw the AEMC's attention to the following issues outlined in the joint submission:

#### **The need for specific guidance for networks undertaking smart meter deployment as part of a regulated DSP business case**

PIAC supports the AEMC's original Power of Choice recommendation in this regard and recommends it be revisited, especially given the potential for networks to facilitate a lower cost deployment of smart meters which is in the long term interests of consumers, rather than, for example, a piecemeal competitive retailer-led roll out.

#### **The need for national consistency and therefore minimal jurisdictional derogations with regards to smart meters**

The National Electricity Market (NEM) already has significant variation without allowing for jurisdiction-specific policies for meter functionality and arrangements for new and replacement meters. It would be unfortunate if this rule change locked in even greater 'rail gauge' differences between states.

#### **The need for the National Energy Consumer Framework (NECF) to be updated**

The NECF is unfortunately out-dated, especially with regard to demand management technology. It should be updated, including by defining the relationships of third parties with consumers, retailers and networks.

#### **The need for any 'exit fees' to be justified and narrowly defined**

Exit fees need to be limited to a narrow range of circumstances where there is just cause for networks to recoup costs of meters of equivalent functionality, otherwise there is significant potential for consumers to bear the costs of previous poor business decisions over which they had no influence.

### **The need for consumer representation on the EC & RMEC**

Consumer representatives are currently not included at the combined meeting of the Information Exchange Committee and Retail Market Executive Committee (EC & RMEC) resulting in a gap in consumer participation in the energy market institutions.

### **The potential to use the current NSMP MFS as a basis for any future MFS**

The current NSMP/NSSC minimum functional specification (MFS) was developed with the extensive input of all stakeholders, including consumers, to reflect the suite of smart meter functionality representing the highest net cost benefit to consumers and so we support its use as the basis for AEMO's development of the MFS under this rule change.

### **The importance of regulating metering communications access charges**

Charges for metering communications access need to be regulated in order to minimise the risks to consumers, especially given their lack of bargaining capacity with respect to such charges.

If you require any further information from PIAC in relation to this matter, please do not hesitate to contact me or Dr Gabrielle Kuiper, EWCAP Senior Policy Officer, on 02 8898 6520 or [gkuiper@piac.asn.au](mailto:gkuiper@piac.asn.au).

Yours sincerely



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