



8 July 2024

Ms Anna Collyer,
Chair
Australian Energy Market Commission
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CC:

Ms Claire Savage, Chair, the Australian Energy Regulator
The Hon. Chris Bowen, Minister for Climate and Energy
The Hon. Tom Koutsantonis, SA Minister for Energy,
The Hon. Mick de Brenni, QLD Minister for Energy and Clean Economy Jobs
The Hon. Shane Rattenbury, ACT Minister for Water, Energy and Emissions Reduction
The Hon. Penny Sharpe, NSW Minister for Climate Change, Energy, the Environment and Heritage

Subject: Urgent tariff reform with smart metering upgrades

Dear Anna

We support the universal upgrade of metering. We regard it as key to ensuring an efficient and flexible energy system with equitable access to the benefits more advanced metering enable. However, we remain concerned the current metering proposals are not the most efficient, equitable and cost-effective way to enable universality.

We contend the Draft proposal lacks adequate consumer protection and fails to best promote the consumer interest in several crucial areas. Our key concerns include:

- **Lack of protection to ensure consumer retail tariff choice**

We are deeply concerned the roll out of smart metering will exacerbate widespread retailer practices undermining consumer consent. Too many people are having their retail arrangements changed without their consent or choice. In many cases this occurs with minimal advance information or support, often resulting in material bill changes. Media reports are highlighting the stress and hardship this is causing people, and driving inequality.^{i, ii,iii}

Renters, people on low-incomes, people living with disabilities or medical conditions, single parents, and people experiencing other forms of disadvantage are at high risk of energy hardship resulting from being forced onto retail deals that don't work for them and which they cannot change. We are calling on the AEMC to **urgently re-assert meaningful consumer choice and consent** by implementing measures which affirm a consistent approach to explicit informed consent. This should include, at a minimum:

- Affirming that retailers cannot change the material terms of a consumer's retail contract (during that contract) without their freely given, explicit informed consent.
- Introducing an obligation on all retailers to continue to provide choice of retail price structure through a requirement to offer a 'flat tariff/flat price' to all consumers regardless of their metering arrangements or network tariff.
- Require the AER to implement reforms ensuring continuity between publicly offered retail deals and those consented to by the consumer.

- **Data arrangements are not fit-for-purpose or in the long-term interest of consumers** - Attempts to separate out 'fundamental' metering functions from more 'advanced' functions, making the 'advanced' functions subject to secondary commercial arrangements are problematic.

We are concerned this could undermine the benefit of more advanced metering and would represent a substantial expansion in scope of the role of Metering co-ordinators and data providers. It would enable them to leverage their position to extract unreasonable financial benefit from the role they are intended to perform for the consumer. This creates added complication, cost and serious concerns of monopoly control which are not in the interests of consumers. Energy is an essential service. We should be reducing complexity and costs in its provision. The rule change must ensure the data created by the meter is practically and openly accessible (and made available) to the consumer, DNSPs and other third parties assigned by the consumer.

- **Failure to consider options delivering efficiency and better outcomes for consumers** - Consumer groups have consistently argued that more direct DNSP responsibility for metering would enable a faster, more consistent, efficient, transparent and cost-effective rollout of upgraded metering. More importantly we argue it would serve as a platform for ongoing metering service provision which better promotes the consumer interest. Crucially, more direct DNSP responsibility for metering would also provide greater scope to deal with identified issues of remediation, shared fusing and multi-occupancy, meter access, and other barriers to the efficient rollout of metering **at least cost** and impact to consumers. It would also enable more transparency and consistency around the costs of metering itself.

We remain concerned that robust assessment of a greater DNSP role was avoided and that their potential to contribute to a more efficient and durable metering framework has not been sufficiently explored.

Previous submissions from JEC (formerly PIAC), SACOSS and ACOSS raise other concerns including lack of transparency of cost recovery, lack of ambition for target date, serious concerns the approach to shared fusing and multiple occupancy is unworkable (see also final dot point above), the need for better education resources, and better guidelines around site remediation. While we collectively support an accelerated, universal upgrade of metering, this should not come at the cost of a durable, efficient and fit-for-purpose regulatory framework for metering and data.

We would welcome the opportunity to discuss these matters further.

Yours sincerely



Dr Cassandra Goldie, AM
CEO ACOSS



Devin Bowles
CEO, ACTCOSS



Jonathan Hunyor
CEO, Justice and Equity Centre



Aimee McVeigh
CEO, QCOSS



Ross Womersley
CEO, SACOSS

ⁱ <https://www.abc.net.au/news/2024-04-18/ex-energy-watchdog-attacks-time-of-use-power-prices/103700324>

ⁱⁱ <https://www.abc.net.au/news/2024-04-09/energy-companies-under-fire-over-time-of-use-rates/103655324>

ⁱⁱⁱ <https://www.abc.net.au/news/2024-04-20/aer-admits-to-serious-concerns-over-time-of-use-power-tariffs/103737008>