28 March 2014

Department for Manufacturing, Innovation, Trade, Resources and Energy
Energy Market and Programs Division,
GPO Box 1264,
ADELAIDE, SA 5001

By email: dmitrenewmeteringpolicy@sa.gov.au

South Australian policy for new and replacement electricity meters, Discussion paper, January 2014

Dear Sir/Madam

The Energy Networks Association (ENA) is the national industry association representing the businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia. ENA members own assets valued at over $100 billion in energy network infrastructure.

Metering assets play an increasingly significant role in the reliable, safe and efficient delivery of energy services to consumers, both through empowering individual customers to manage their energy use and providing significant whole of system operational benefits which benefit all consumers. ENA members across Australia are currently participating actively in the development of metering frameworks, particularly in response to the Australian Energy Market Commission (AEMC) and Standing Council of Energy and Resources. The ENA welcomes the opportunity to comment on the Discussion Paper, *South Australian policy for new and replacement electricity meters,* which fits within this national policy process.

SA Power Networks is a member of the ENA and ENA endorses the views expressed in their submission on the Discussion Paper. In addition, ENA will make some general points relating to metering policy

The ENA supports a metering framework which:

- Maintains current metering-enabled services and efficiently leverages existing investments,
- Enables a transition to cost reflective network tariffs as quickly as practicable,
- Benefits customers through economic achievement of future network operational benefits,
- Enables a competitive, open and fair market for demand side services, and
- Facilitates broader adoption of smart meters while minimising cross-subsidies and any associated price impact on customers.

ENA notes the South Australian Government is considering moving to a policy of smart ready meters. Advanced metering technology can enable meaningful information to customers on their energy use, facilitate new energy services, encourage introduction of demand side participation (including solar PV) and support introduction of innovative tariff structures.

ENA agrees with the assessment in the Discussion Paper that the accelerated introduction of advanced metering technology will support implementation of policies to assist the management of peak demand in South Australia and the provision of additional and cost effective services for customers. A critical mass of advanced meters will encourage commercial development of new products and services.

In the context of South Australia's market circumstances, ENA supports the proposed policy that a smart ready meter should be installed by default for small customers in South Australia requiring a new or replacement meter. We note that the policy includes a provision for a customer to 'opt out' of having a smart meter installed, which may in future have some cost implications for maintenance of manual metering services by networks for these customers and delay the transition to cost-reflective network tariffs.

Installation of a smart ready meter as new and replacement policy has the potential to optimise utilisation of meters by multiple parties wishing to enhance services to customers. Energy service providers could add communications modules to their customers' meters (with business and IT systems to support their delivery) without requiring inefficient investment and installation of new smart meters.

ENA notes references in the *Discussion Paper* that installation of smart ready meters would enable their upgrade to smart meters "*where a customer chooses to have their smart ready meter retrofitted*"[1]. ENA considers that the policy needs to also recognise the potential for such retrofitting to occur where there is a justified rollout of smart meters by the network business supported by a business case. For example, this may be where smart meters are the most cost effective option for network support, as an alternative to network augmentation. ENA notes that in such cases it will be necessary to recognise and resolve potential issues relating to individual customers not wanting to have smart meters installed. This issue is being addressed in a number of jurisdictions both in Australia and overseas.

ENA notes that in order to facilitate optimal service delivery to customers from installed advanced metering by multiple energy market companies, some key metering and access service standards will require resolution. The ENA supports the development of a 'common market protocol' and light-handed regulation of access to advanced meters to maximise the economic benefits of these assets to energy users. Further information is provided in the recent ENA submissions to the AEMC Open Access and Communication Standard review which are enclosed.

If you require further discussion on the ENA's views on the proposed SA new and replacement metering policy, please contact Susan Streeter, Director Future Networks on 02 6272 1555 or sstreeter@ena.asn.au.

Yours sincerely,

John Bradley

Chief Executive Officer

[1] SA Government Department for Manufacturing, Innovation, Trade, Resources and Energy, *Discussion Paper, South Australian policy for new and replacement electricity meters, January 2014,* p. 4