

Ministerial Council on Energy

Standing Committee of Officials Bulletin No. 189

Smart Meter Initial Rule and Release of Standing Committee of Officials (SCO) Final Policy Response to submissions on the second exposure draft of amendments to the National Electricity Law (NEL) in relation to smart meters.

On 1 January 2011 the smart meter initial Rule came into effect as Part ZF of Chapter 11 of the National Electricity Rules. The initial Rule supports the *National Electricity (South Australia) (Smart Meters) Amendment Act 2009* (the Act) and implements the policy decision made by the Ministerial Council on Energy (MCE) in June 2008 that electricity distribution businesses should be exclusively responsible for meter provision and meter data services for the period of a mandated roll-out in a jurisdiction.

The initial Rule has been approved by MCE and made by the South Australian Minister for Energy, the Hon Patrick Conlon MP. As with other rules, the Australian Energy Market Commission will be responsible for subsequent amendments using its transparent rule change processes.

The MCE SCO today also released its policy response to submissions on the second exposure draft of the *National Electricity (South Australia) (Smart Meters) Amendment Bill 2009* (the Bill) and the supporting initial rule, and the SCO response to submissions on the first exposure draft. This response is consistent with key policy decisions which were reflected in the Second Reading Speech that accompanied the Bill's passage through the South Australian Parliament in October 2009.

As a consequence of those amendments, the National Electricity Law now provides a head of power for State and Territory energy ministers to require distribution businesses to conduct pilots of smart meters or related technology, including direct load control, or to roll-out smart meters. The Act supports the Council of Australian Governments (COAG) commitment to a staged national mandated roll-out of electricity smart meters to areas where benefits outweigh costs.

Neither the Act nor the initial Rule have any effect other than where a Minister of a particular jurisdiction makes a decision to issue a determination under the Act, and neither is intended to preclude market participants deploying smart meters in the absence of a Ministerial determination where appropriate.

This document is also available at www.mce.gov.au

MCE Standing Committee of Officials
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