

Manager, MCE Secretariat,
Department of Industry, Tourism and Resources,
GPO Box 9839
Canberra ACT 2601

Submission by email: MCEMarketReform@industry.gov.au

ActewAGL Distribution Response – MCE Smart Meters Cost Benefit Analysis Phase 1 – National Minimum Functionality

Dear Sir/Madam

ActewAGL Distribution welcomes the opportunity to comment on the findings of MCE Smart Meters Cost Benefit Analysis Phase 1 – National Minimum Functionality.

In order to determine the impact on the consumers in the ACT, ActewAGL supports investigations into the technical and economic aspects of smart metering.

The report clarifies a number of technical issues in relation to functionality of smart metering. At the same time there are a number of concerns, some of which may be specific to the ACT.

The attached document discusses the relevant points in more detail. However, in general, ActewAGL considers that phase 1 report contains some factual errors. ActewAGL does not support grouping of the ACT with NSW in various tables listed throughout the phase 1 documents. The ACT and the NSW regulatory arrangements, consumption trends and patterns in relation to metering are separate and substantially different.

If you have any questions in relation to this response, please call Mr. Paul Sanguinetti on 02 6293 5870 or 0414 515 686.

Yours faithfully,

Paul Sanguinetti
Metering Manager
ActewAGL Distribution

ActewAGL

i

Response to the MCE Smart Meters Cost Benefit Analysis Phase 1 – National Minimum Functionality

15 May 2008

Contents

1. Introduction	1
2. General issues	1
2.1 CRA document – Cost benefit Analysis of Smart Metering and Direct Load Control – Stream 2: Network Benefits and Recurring Costs	1
2.2 NERA Document - Cost benefit Analysis of Smart Metering and Direct Load Control – Stream 4: Consumer Impacts Phase 1 Report	2
2.3 NERA Document - Cost benefit Analysis of Smart Metering and Direct Load Control –Phase 1 Overview Report	3
2.4 Scenario Preference	3
3. Conclusion	4

1. Introduction

ActewAGL is a joint venture between ACTEW Corporation Limited, a territory-owned corporation of the ACT Government, Alinta GCA Pty Ltd, and the Australian Gas Light Company Limited (AGL), Australia's largest energy supplier. The joint venture comprises two partnerships: ActewAGL Distribution and ActewAGL Retail.

ActewAGL Distribution provides this submission in response to MCE Smart Meters Cost Benefit Analysis Phase 1 – National Minimum Functionality.

Although ActewAGL Distribution participated in all surveys that were sent to us, many of the questions that were asked were of a nature that was outside the organisations normal reporting regime, therefore we were unable to supply answers due to the unavailability of requested data or the time frames set were too tight to supply detailed responses due to staffing constraints and time availability.

2. General issues

2.1 CRA document – Cost benefit Analysis of Smart Metering and Direct Load Control – Stream 2: Network Benefits and Recurring Costs

1. ActewAGL commented on several occasions including the draft released in early September, but despite our efforts the final document was published with incorrect information and data. We are referring to page 6 where ActewAGL is listed as ACTEW and the number of small customers is quoted as 146,683 rather than the 2006 figure of 154,510.
2. 3.2.3 - Item 11 Import/Export, although this feature will be included in the functionality of the meter, the reality is that utility's Service and Installation rules may require that the output from PV installations be separately metered by a standalone meter or meter with two independent registers. In the case of ActewAGL, we are required by our Service and Installation rules to have a separate meter to measure imports. ActewAGL considers that there is a benefit in monitoring generation output separately from the load. In addition, the information in relation to the generation output is often required (depending on the specific methodology) to credit the generator with the avoided TUOS in accordance with the requirements of the National Electricity Rules.

3. 3.2.8 - Item 16 Interface to Home Area Network, although this functionality has not been included in the National Minimum functionality specification, ActewAGL believes a cautious approach should be taken with any further analysis as early experience by us in this area found costs to be excessive when it came to communicating to IHD's from a meter. While the type of information to be made available to consumers may be specified, the mechanism by which this is delivered should remain with the responsible party.

2.2 NERA Document - Cost benefit Analysis of Smart Metering and Direct Load Control – Stream 4: Consumer Impacts Phase 1 Report

- 1 Appendix Tables B, all through this section ACT was grouped in with NSW. ACT has entirely different network to NSW and cannot be considered as part of NSW.
- 2 ACT has three TOU period and they differ from the times stated in this document. Domestic times are as follows: -
 - Peak 7am – 9am, 5pm – 8pm (7 days a week)
 - Shoulder 9am – 5pm, 8pm – 10pm (7 days a week)
 - Off Peak 10pm – 7am (7 days a week)
- 3 ACT has three TOU period and they differ from the times stated in this document. Business times are as follows: -
 - Peak 7am –5pm (on working weekdays)
 - Shoulder 5pm– 10pm (on working weekdays)
 - Off Peak is defined as all other times
- 4 ACT does not experience summer critical peaks such as areas of NSW encounter.

2.3 NERA Document - Cost benefit Analysis of Smart Metering and Direct Load Control –Phase 1 Overview Report

- 1 Appendix Tables D. All through this section ACT was grouped in with NSW. ACT operates a different network and in accordance with the operational practices suited to the ACT network and consumption trends. Thus the ACT must not be analysed in the same way as NSW.
- 2 Page 66 refers to functionality 8 where the benefit of Import/Export will result in the distributor not having to install an additional meter. This statement will vary depending on each distributors philosophy on PV connections to their system. Please refer to the section 2.1 above for additional comments.
- 3 ActewAGL's philosophy on PV connections is documented in NERA Document - Cost benefit Analysis of Smart Metering and Direct Load Control – Work Stream 4: Consumer Impacts, Phase 1 Report, section 5.8, and Box 5.1.

2.4 Scenario Preference

ActewAGL Distribution as a distribution business and a Type 5/6 metering provider and is in favour of the distributor led smart meter roll out scenario.

Presently we are installing Interval metering programmed to display Time Of Use data and manually read by our meter-reading contractor. Installation of these intervals meters for all new and replacement installations is mandatory in the ACT.

The benefits for ActewAGL Distribution for a distributor–led rollout is that we have data management systems in place, accreditations to be a metering provider, control of off-peak loads, unrestricted access to the network, workforce, skill sets, procurement experience and installation procedures in place. Although, at the same time we recognise that the capacity of these systems would have to be increased to cater for larger data volumes associated with smart metering comparing with conventional accumulation meters.

Some aspects of the NERA Document - Cost benefit Analysis of Smart Metering and Direct Load Control –Phase 1 Overview Report 4.2.1 also support the distributor-led role out although some assumptions in this section do not appear to be entirely correct. For example NERA state that it assumes there is no competition on metering and related data management services to which this is not an opinion that ActewAGL shares.

3. Conclusion

ActewAGL Distribution supports the findings from for the MCE Smart Meters Cost Benefit Analysis Phase 1 – National Minimum Functionality.

However for ActewAGL to support the mandatory roll out of smart meters in the ACT, a clear positive outcome of cost benefit analysis based on the relevant ACT information needs to be demonstrated through analysis performed as part of the Phase 2 reports findings.

As we are not presently using any two way communications with metering, we believe that bench trials of technologies would be required to prove that the required functionality and performance deliverables outlined in the Phase 1 report can be achieved reliably at reasonable cost.

The outcomes from these trials may impact on the time lines set out in recommendations detailing the proposed meter rollout program, specifically the proposed roll out completion date of 31 December 2014.

Presently ActewAGL is installing in new installations, at the request of the customer and as part of our ongoing meter replacement program interval meters that are read as Time Of Use. This functionality partially aligns too aspects of the smart meter discussion where the customer is a given a choice/option to make financial savings if they choose to operate appliances at times where the cost of energy is at a lower rate.