

8 May 2008

Ms Sarea Coates
Chair: Smart Meters Working Group
Ministerial Council on Energy
Energy and Environment Division
Department of Resources, Energy and Tourism
GPO Box 1564, Canberra ACT 2601

By email: Mishael.j@ret.gov.au

Dear Sarea

ENA RESPONSE TO SMART METER ROLL OUT COST BENEFIT ANALYSIS REGULATORY IMPACT STATEMENT

The Energy Networks Association (ENA) welcomes this opportunity to respond to the Ministerial Council on Energy (MCE) Standing Committee of Officials (SCO) *Cost Benefit Analysis of Options for a National Smart Meter Roll-Out (Phase Two-Regional and Detailed Analysis) Consultation Regulatory Impact Statement (RIS)* released in April 2008.

Energy network businesses deliver electricity and gas to over 13 million customer connections across Australia through approximately 800,00 kilometres of electricity lines, 75,000 kilometres of gas distribution pipelines and 40,000 km of high voltage transmission lines. These networks are valued at over \$45 billion and each year energy network businesses undertake investment of more than \$6 billion in network operation, reinforcement, expansions and greenfields extension.

ENA has given careful consideration to the 33 questions raised in the Regulatory Impact Statement and our key messages, executive summary and responses to the questions raised are enclosed.

ENA recognises the Government's need for a timely roll out of smart meters to achieve its energy and environmental policy goals and believes that distribution businesses are best placed to deliver these goals.

A vital first step is the implementation of a clear and consistent national legal and regulatory framework to underpin the roll out of smart meters.

The framework needs to recognise that the net benefit outcomes of a smart meter roll out differ significantly across jurisdictions. Consequently, ENA supports a staged distributor led mandatory roll out commencing with those jurisdictions that have demonstrated clear net benefits from the implementation of smart meters. For State/Territory jurisdictions where net benefits are unclear, sufficient time will be required to carry out and assess demonstration projects to gain a better understanding of the risks and benefits of smart meter implementation. State jurisdictions should decide on the timing of their smart meter roll out.

In addition, ongoing distributor exclusivity both in the delivery of smart meters and metering data services, which includes full cost recovery, should be central elements of smart meter implementation.

In its support for distributor exclusivity ENA rejects the alternative roll out models discussed in the RIS.

Please contact me should you wish to discuss this matter further.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'A. Blyth', with a small dot to its right.

Andrew Blyth
Chief Executive



**COST BENEFIT ANALYSIS OF OPTIONS FOR A NATIONAL SMART
METER ROLLOUT (PHASE 2) CONSULTATION REGULATORY
IMPACT STATEMENT**

ENA Submission

8 May 2008

Key Messages:

ENA's firm position is that distribution businesses are best placed to deliver a cost effective roll out of mass smart metering in the time necessary to meet national energy and environmental policy goals.

ENA believes that for distribution businesses to make the necessary investment in a successful smart meter roll out there will need to be a clear and consistent national governance, legislative and regulatory framework which provides certainty for investors.

ENA considers that the regulatory framework must allow for ongoing distributor exclusivity including meter data servicing.

ENA strongly supports the undertaking of significant pilots and trials in jurisdictions where the benefits of smart metering have not been established.

ENA believes that jurisdictions should determine the timing of smart meter implementation in situations where net benefits need to be demonstrated.

ENA is firmly opposed to the hybrid options raised in the RIS.

Executive Summary

The Energy Networks Association (ENA) welcomes this opportunity to respond to the Ministerial Council on Energy (MCE) Standing Committee of Officials (SCO) *Cost Benefit Analysis of Options for a National Smart Meter Roll-Out (Phase Two-Regional and Detailed Analysis) Consultation Regulatory Impact Statement* (RIS) released in April 2008.

ENA is the national representative body for gas and electricity distribution network businesses. Energy network businesses deliver electricity and gas to over 13 million homes and businesses across Australia through approximately 800 000 kilometres of electricity lines and 75 000 kilometres of gas distribution pipelines. These distribution networks are valued at more than \$45 billion, and each year energy network businesses undertake capital investment of more than \$6 billion in network reinforcement, expansions and extensions.

ENA recognises the Government's need for a timely roll out of smart meters to achieve its energy and environmental policy goals and believes that distribution businesses are best placed to deliver these goals.

A vital first step is the implementation of a clear and consistent national legal and regulatory framework to underpin the roll out of smart meters. The framework needs to recognise that the net benefit outcomes of a smart meter roll out differ significantly across jurisdictions. Consequently, ENA supports a staged distributor led mandatory roll out commencing with those jurisdictions that have demonstrated clear net benefits from the implementation of smart meters. For State/Territory jurisdictions where net benefits are unclear, sufficient time will be required to carry out and assess demonstration projects to gain a better understanding of the risks and benefits of smart meter implementation. ENA believes State jurisdictions should decide on the timing of their smart meter roll out.

ENA's position is that it is essential that the smart meter legal and regulatory framework recognise the central role and experience of distributor businesses in the Australian national electricity market (NEM). In particular, distributors have the strong cross industry management skills needed to make an accelerated smart meter roll out a success. Consequently, ENA believes that ongoing distributor exclusivity both in the delivery of smart meters and metering data services, which includes full cost recovery, should be central elements of smart meter implementation. In ENA's view this approach provides the best opportunity for realising the National Electricity Market and MCE objectives through the provision of a platform which will enable consumers to make informed choices.

In its support for distributor exclusivity ENA rejects the alternative roll out models discussed in the RIS. In particular, ENA does not support the hybrid options raised in the RIS, including the application of the franchise option approach for allocating the right/obligation to support smart meters. These approaches were introduced at a late stage in the cost benefit analysis and therefore were not subject to same rigorous assessment as the four options. Hybrid approaches will act against the need for a timely roll out of smart meters and considers that they have not been subject to the same analysis as the alternative models

ENA's responses to the 33 questions in the RIS have been carefully considered and are incorporated with this submission.

Smart Meter Roll-Out Cost-Benefit Analysis Regulatory Impact Statement

Questions asked in this RIS and ENA responses

General questions

i. Do stakeholders agree with the problem definition in this RIS?

Response

ENA considers that a rollout of smart meters has the potential to deliver net positive benefits to consumers in line with the MCE's objectives. In certain jurisdictions, further analysis would be required to confirm the existence of those benefits. However, for those jurisdictions where positive net benefits have been identified, a timely and cost effective rollout is crucial to ensuring the benefits from the implementation of smart meters can be fully captured.

ENA believes that the RIS problem definition does identify aspects of the problem and therefore identifies why there is a need for Government intervention. However, the RIS definition fails to incorporate the fundamental aspect of the problem which is the need to remove legislative and regulatory impediments to enable Government to achieve a smart meter roll out in a relatively short time frame to meet its energy and environmental policy goals.

ENA's position is that a distributor led rollout would provide the most timely and cost effective solution to achieving the Government's goals. However, in order to ensure this, it will be necessary to put in place a regulatory framework that provides clarity regarding the responsibilities and timeframes for delivery as well as make specific changes to legislation and/or the National Electricity Rules to provide for distributor exclusivity in relation to smart meter installation.

Under the current National Electricity Rules distributors need to gain the agreement of all licensed retailers to undertake accelerated mass market roll out of smart meters. In the absence of providing distributors with sole responsibility for smart meter installation in the Rules retailers will remain the final arbiters on who is the "responsible person" for metering installation and may also choose alternative arrangements for Meter Data Agents.

ii. Do stakeholders wish to comment on the benefits, costs, risks and/or impacts outlined in this RIS or wish to provide any others?

Response

ENA strongly believes that its members are best placed to achieve the MCE objectives of a smart meter roll out. Distribution businesses have experience in providing strong cross industry management which will enable a timely and cost effective implementation of the roll out.

ENA's view is that smart metering should be progressed urgently if it is to provide maximum benefit in support of Government initiatives consistent with MCE objectives. In particular, if the development of the legislative and regulatory framework for implementing smart metering and the emissions trading scheme progress at significantly differing rates the level of benefits from greater information to consumers from the roll out will be materially less than envisaged.

Further, ENA considers that the retail and hybrid (franchise) options set out in the RIS carry a number of delivery risks that have not been captured in the analysis to date.

iii. Can stakeholders suggest any measures to maximise the benefits and/or minimise the costs and risks of a smart meter or DLC roll-out?

Response

ENA believes smart meters provide a platform for empowering consumers through the provision of pricing and consumption information that allows them to make rational choices about their electricity usage. The maximisation of benefits of smart meters will require a determination by policy makers to ensure consumers are made aware of their options to respond through the use of the new technology.

Importantly, to ensure benefits are maximised and risks minimised, it is essential that the legislative framework provides the regulatory certainty required for the necessary scale of investment. This includes ensuring distributor exclusivity and staged full cost recovery for both pilots and trials and the installation of metering and provision of ongoing smart metering services.

Another crucial issue is to ensure that a clear and consistent governance and regulatory framework is put in place. This framework must not act as an impediment to distributors making sound commercial and technical decisions.

iv. Do stakeholders have comments on the implementation issues or wish to raise any others?

Response

MCE needs to facilitate the establishment of a clear legal and regulatory framework for smart metering services at the outset of the process. This includes full cost recovery of smart meter related capital and operating expenditures. In the absence of this legal and regulatory framework stakeholders and financial institutions will not have the certainty needed to invest in a timely implementation of the smart meter roll out.

Accordingly, ENA welcomes the government initiative to establish industry led working groups to progress the details of a smart meter roll out including the finalisation of minimum functionalities, performance and service levels, issues related to interoperability and the development of provisions to be included in the National Electricity Legislation and/or Rules. These details must be developed on the basis of industry experience and on the outcomes of pilots and trials.

v. Please provide any further comment on the findings and assumptions contained in this RIS.

Response

ENA does not support the hybrid options raised in the RIS, including the application of the franchise option approach for allocating the right/obligation to support smart meters. Hybrid approaches will act against the need for a timely roll out of smart meters and considers that they have not been subject to the same analysis as the alternative models.

In particular, the franchise model in the RIS is accompanied by very little detail. Issues such as developing the tendering and procurement process, how transitioning into and out of such an arrangement will work, and how business to business communication will operate need to be fully considered. There is also the design and implementation of a franchise model to address complex matters such as the need to formulate criteria for selecting proposals offering competing technologies and the implications of introducing contract arrangement into what is predominantly an activity covered by a regulated compliance regime.

ENA considers that the retailer incentive hybrid model is problematic. Essentially the costs of metering services are being transferred from the distributors across to the retailers. The retailers would not necessarily be bound to any particular roll out targets yet the distributors operating/capital

costs are likely to be reduced by the regulator based on a retailer incentive estimate, rather than based on actual smart meters delivered. The lack of coordination in this model is likely to give rise to stranded distributor meters and higher read costs. This hybrid model and option B (retailer mandate) generally, introduces the cost of meter provider and meter data provider churn which have not been factored into any retailer model that includes competitive metering services.

Specific questions

1. **Do stakeholders agree with the problem description, including the fact that the split-benefits problem inhibits businesses from rolling out smart meters of their own accord?**

Response

The fundamental problem is that the current regulatory arrangements cannot deliver the public benefits of a national smart meter implementation in the time frame set by Government policy. This can only occur if issues relating to contestability and market failure are resolved.

The causes of the failure by the industry to deliver a smart meter rollout to date are that:

- distributors face too much risk in undertaking such a large and complex project without specific policy and regulatory certainty (Distributors, under the current National Electricity Rules, depend on retailers to elect the distributor as the 'responsible person' where a meter is contestable. In this situation, without regulatory certainty, the recovery of metering costs are at risk), and
- retailers lack the expertise, business capacity and incentives to do so.

Government action is required to ensure that a timely and cost effective rollout can take place so that the benefits identified by the MCE are able to be captured. Reliance on a purely competitive solution will not deliver MCE objectives.

ENA agrees with the RIS in that retail price outcomes are distorted by the current method of operation of the National Electricity Market and the information limitations of current technology. The introduction of smart metering can potentially address the issue of electricity price inefficiency.

ENA's view is that the split benefit issue can be addressed by ensuring distribution businesses are able to realise full cost recovery under a mandatory roll out of smart meters. In order to achieve this outcome, a change in the National Electricity Rules giving distributor businesses exclusive rights to provide smart meters to all customers will be required.

2. Do stakeholders have a view on the consultant's recommendation to include the HAN in the national minimum functionality?

Response

ENA's position is that this matter should be left for consideration by the national industry led Technical Working Group. However, such a mechanism could add to consumer awareness, has the potential for increased energy efficiency outcomes and provides a mechanism for direct load control.

3. Can stakeholders suggest any other options that could achieve the MCE objectives more cost efficiently than the scenarios presented?

Response

ENA believes that the introduction of smart metering can contribute significantly to the objectives of the MCE. ENA is not aware of any alternative scenarios which could achieve the MCE objectives more cost efficiently. The analysis presented in the RIS clearly identifies the distributor led rollout as providing the greatest net benefits with the least risk.

To ensure benefits are maximised and that there is an efficient and timely roll out of smart metering technology, the MCE should support distributor exclusivity for smart meter installation and direct changes to the National Electricity Rules. Clear and consistent national government policy and regulatory framework is necessary to ensure that the net benefits are able to be fully captured.

4. Do stakeholders think the status quo (i.e. a mix of accumulation, interval and smart meters) is sustainable?

Response

ENA believes that the status quo is sustainable but will not deliver the MCE's policy objectives. Further maintaining the status quo will not take full advantage of the economic efficiency benefits of smart metering. Also the full

realisation of the emission trading schemes objective will be compromised if the status quo remains.

5. **Do stakeholders agree with the overall finding of the consultation, reports suggesting that, for a general national case, a smart meter mandate provides higher net benefits than a DLC only scenario?**

Response

ENA notes that where relative net benefits have been identified for a smart meter roll out, smart meters provide higher net benefits than a DLC only scenario. This is generally attributable to the wider range of benefits, albeit at greater cost.

In jurisdictions where the net benefits of smart meters have not been established, ENA's view is that significant trials must be conducted to better understand the costs and benefits so that the timing of a roll out in those jurisdictions can be determined. In those jurisdictions, a DLC scenario may provide an interim alternative to meet some of the MCE objectives.

6. **What impact do stakeholders think the different proposed roll-out scenarios would have on competition for:**

- **Metering manufacture**

Response

All scenarios are expected to have the same impact on competition in the meter manufacturing market, as meter manufacture is currently undertaken by businesses separate from distribution and retail businesses. Meters would be acquired under contract under all scenarios.

- **Metering installation and maintenance services**

Response

Metering installation and maintenance can be undertaken by distribution businesses using in house service provision, though it is often contracted out where this approach is more prudent and efficient for the business. It is therefore not expected that the scenarios would differ materially in their impact on competition for meter installation and maintenance services.

- **Meter data services**

Response

While distribution businesses would be responsible for meter data services under the distributor-led roll-out scenario, some distribution businesses currently contract out this role on a competitive basis, where this is the most efficient option. It is therefore not expected that scenarios 1 and 2 would differ materially in their impact on competition for meter data services. It is however important to note that separating the meter provision and meter data services creates additional interface requirements, complexity and inefficiencies. Smart metering provides many new features within the meter that will only serve to exacerbate these inefficiencies where the roles are separated.

Scenario 4 would limit competition for meter data services as it contemplates a single meter data service provider.

- **Retail electricity services**

Response

There is scope for the different scenarios to impact on the level of competition in the retail market, particularly under the retailer-led roll out model. Competition in retail electricity services would be undermined if meters become a barrier to customer switching, or the high fixed costs of meter provision mean that smaller retailers face higher barriers to entry to the retail market. Also see response to question 8.

- **Additional in-home services control such as in-home displays and direct load**

Response

Competition in in-home services is linked to the level of competition in the retail market.

7. Can stakeholders identify any additional costs, risks or benefits that would result from a distributor-led roll-out? What can be done to maximise the benefits and minimise the risks of this option?

Response

Distributors are best able to lead the smart meter roll out because networks:

1. Currently undertake mass market metering and thus have the capability and experience to undertake mass market smart metering on an accelerated basis;
2. Can provide smart metering economically based on their ownership of network infrastructure, including communications, and the location of their customers in proximity to each other;
3. Are best placed to develop the synergies between the smart metering installation and other communications applications to deliver an “intelligent network” to support increased demand side participation and distributed generation;
4. Are able to offer services to multiple retailers and thus offer a low cost solution overall;
5. Have an advantage in metering ownership because there is no need to switch meter ownership when customers switch retailers; and
6. Are also the only parties able to exploit synergies between the smart meter installation and the replacement of aged meters and load control equipment.

In addition, distributors can implement the roll out in a timely manner and to the required standard. This will only be possible provided there is regulatory certainty which allows distribution businesses to raise the required capital to undertake the smart meter roll out. Therefore it is vital that the legal and regulatory framework is established quickly and that the MCE provide a clear, unambiguous statement for the roll out approach.

Once the regulatory framework is amended to reflect the requirements for supporting a distributor led roll out the fundamental regulatory structure will automatically provide the incentives to ensure delivery of the meters at less cost than the proposed alternative retailer led and hybrid options. This is because the incentives based regulatory approach allows for lower cost recovery risk and therefore a lower investment threshold for delivering smart meter implementation. Further, costs are overseen by the regulator in a distributor led roll out while under a retailer led scenario the outcome relies on the uncertain assumption that market competition in meter provision is present.

8. **Can stakeholders identify any additional costs, risks or benefits that would result from a retailer-led roll-out? What can be done to maximise the benefits and minimise the risks of this option?**

Response

In principle, the threat posed by customer switching increases the pressures on retailers to establish a rapid return on their capital investment to establish a business case. This means that to obtain financing they will need to impose higher charges on customers to deliver the return required to go ahead with the smart meter roll out. The current higher interest rate environment also poses the risk of delay of investment under a retailer led roll out.

In addition, retail responsibility for smart metering could act as a barrier to competition in retail electricity supply by possibly reducing the ability of customers to easily switch between retail suppliers.

ENA is concerned by the suggestion that the retailers may read the meter themselves. This outcome would result in a lack of segregation and control where a single party may control costs and revenue potentially without any price oversight by government or regulators.

The mandate for any retailer roll out will effectively be transferring costs for metering services from distributors to retailers. Given that distributors will have no control over the retailers roll out performance ENA is keen to ensure that any regulated reduction in distributor costs attributable to smart meters is consistent with the actual retailer roll out delivery. In addition, ENA is concerned that distributor costs could actually increase if meter exchanges are not coordinated geographically with all retailers or are managed poorly.

9. Do stakeholders think the central communications option is feasible? If not, what steps would need to be taken to make it so?

Response

ENA does not support the central communications option. In particular, any mistakes resulting from a centralised process, including the adoption of a particular type of technology, could have negative impacts on the whole smart meter network.

10. Could elements of the central communications option, such as complete central data set or greater interoperability, be considered as additions to other options? Do stakeholders see benefit in having one set of official data held by a third party?

Response

As stated above ENA does not support the central communications option but does support interoperability in its own right.

Further, ENA does not consider that the benefits of a central meter data store will be realised. Legal requirements will require distributors and retailers to have sets of data to support revenue streams. This option also has tax and legal implications.

11. Can stakeholders identify any additional costs, risks or benefits that would result from a retailer-led roll-out with centralised communications? What can be done to maximise the benefits and minimise the risks of this option?

Response

Refer to ENA member organisation responses

12. Of the roll-out models listed, which is your preferred option and why?

Response

The ENA position is that a distributor led mandatory national smart meter roll out is the only option that ensures a successful incorporation of the new technology in the NEM. Such a roll out should provide for:

- Ongoing distributor exclusivity both in the delivery of smart meters, and metering data services;
- The MCE to establish a nationally consistent legal and regulatory framework from the outset of the smart meter roll out which includes full cost recovery;
- An industry led governance structure including steering committee, technical and regulatory working groups as appropriate; and
- State jurisdictions to decide on the timing of a smart meter roll out where they can establish the existence of net benefits

13. Are there any other models (including hybrids) that could be considered?

Response

ENA is opposed to the hybrid options outlined in the RIS including the franchise auction option. The franchise option needs to address a large number of complex issues which are likely to significantly delay the national smart meter roll out and increase the risk that the most cost effective and efficient solution is not selected. Based on the limited information in the RIS, ENA provides the following key risks associated with this option:

- Introduction of contracting into the regulatory framework,
- Government involvement in the tendering process,
- Transition issues, and
- Depth of market.

The franchise auction model involves the contracting of meter service delivery to a party not subject to the National Electricity Law or Rules. This means that service delivery, including consumer protection issues, will need to be addressed through contract law, rather than the established compliance structures in place that apply to distribution businesses. The risk of non-delivery of contracts is also more significant and the costs of alternative arrangements, including circumstances where a contracting party fails to deliver on a contract, are likely to be high. This undermines the assertion in the CBA that the franchise model offers lower cost risk characteristics than a distributor-led rollout model.

In the case of a franchise option, the government would be required to undertake a tendering process. This would involve Government in the development of a set of carefully considered selection criteria and ultimately result in the Government choosing the smart metering option when it may not have the technical expertise necessary to make such a decision.

ENA is also concerned that the franchise auction model has been introduced at a late stage in the process and has not been subjected to the same level of analysis as other models. The assumption in the CBA is that the hybrid model offers the same benefits as the distributor-led rollout model. This would not be the case where the franchisee is a party other than the distributor, as this would remove the benefits associated with real time access to data, and the use of the distribution system as a communications backbone. These benefits underpinned the CBA case for a distributor-led roll out.

If a franchise model is adopted then a transition away from this model would be very difficult, if not impossible. Further, a 15 year time frame for a franchise could remove the incentive for investment in new technology during the latter part of the franchise period. Importantly, there is the issue of market depth which in the case of metering is very shallow. This would therefore undermine the competition benefits a franchise approach is attempting to achieve.

14. Are there any jurisdictional issues that stakeholders think have not been addressed in the cost-benefit analysis?

Response

Refer to ENA member organisation responses.

- 15 Are there any further implications stakeholders wish to raise if smart meters are rolled out in only some jurisdictions or rolled out in a staged approach?**

Response

The roll out of smart meters in a particular jurisdiction is a decision for the relevant jurisdiction, taking account of the outcomes of the cost benefit analysis for that jurisdiction and the results of further pilot studies.

- 16 In light of this analysis do stakeholders see any implications for a smart meter roll-out in rural and remote areas in comparison to urban areas?**

Response

There is more uncertainty about the costs of communications in a smart meter roll out to remote and rural areas. Therefore the net benefits are less clear and the risks for distributors higher.

- 17 Where do stakeholders think smart meters should be rolled out? What timeline is appropriate for specific jurisdictions and what additional jurisdictional factors should be considered in the timeline?**

Response

The national smart meter roll out should prioritise regions where net benefits are clearly identified. In other areas further demonstration projects need to be conducted and assessed. If net benefits are demonstrated then State/Territory jurisdictions should decide on timing of a smart meter roll out.

- 18 Where do stakeholders think the details of a mandated smart meter roll-out should be set out, including responsibilities, timelines and cost recovery? Which aspects should sit in national or jurisdictional instruments?**

Response

ENA considers it important that the MCE provide a policy statement that sets out the responsibilities for delivering the mandate, the overall timeframe, key

delivery milestones (including periods for pilots and trials) and confirming the importance of ensuring and staged full cost recovery.

These requirements should be included in the National Electricity Rules. Key aspects of a mandate may require national or jurisdictional legislation.

The Rules already contain a general mechanism for the recovery of a distributor's costs for providing regulated (non-contestable) services. Depending on the timing of those costs, distributors would either include cost estimates in their forward-looking revenue proposals to the AER or apply to have them treated by the AER as a pass-through event.

However, it is important to recognise that the smart meter rollout will be a sizeable and complicated endeavour. There needs to be certainty concerning the ability of businesses to recover the full costs of the rollout, including trial programs, in a timely way. In this regard, it may be appropriate to consider specific cost recovery mechanisms to ensure that this can occur without adding additional risk to businesses.

19 What are stakeholder's views on the proposed legislative model in Table 15? Are there any other issues that should be considered in the legislative framework?

Response

ENA's view is that this is a crucial issue which will require careful consideration by the proposed National Smart Meter Regulatory Working Group. This consideration can only be undertaken after the MCE has made its decision on the details of the smart meter roll out in June 2008.

20 What process should inform the design of smart meter pilots and trials? Who should be responsible for undertaking them?

Response

ENA supports the pilots and trials of smart meters. Distributor led pilots and trials covering functionalities, service levels stress and volume testing, demand responses, and customer feedback need to be carried out and outcomes reported regularly to the Technical Working Groups operating under the National Stakeholder Steering Committee.

21. What are stakeholder views around resourcing of pilots and trials?

Response

Under the distributor led roll out model, pilots and trials will be led by distribution businesses, but will require support from retailers and NEMMCO. Full staged cost recovery for these trials is an essential component of the policy and regulatory framework for smart meters.

22. What do stakeholders think is the best approach to the safety review?

Response

ENA supports the safety reviews applied to the smart meter roll out. This should be applied within a consistent national framework.

23. Do stakeholders have particular issues to be considered by the review of consumer protections arrangements?

Response

The government needs to be aware that full cost reflective pricing under smart meter roll out could have consequences for vulnerable consumers.

As noted above, there are potential additional consumer protection issues associated with the franchise auction model that would need to be considered.

24. Do stakeholders have views on different approaches to public education on smart meters or on the funding of such campaigns?

Response

ENA encourages the Government to consider targeted and focused public education programs to maximise potential benefits by ensuring consumers become familiar with the new technology.

25. What are stakeholder's views on the need for interoperability in smart meter infrastructure and how would it be best achieved?

Response

ENA supports interoperability to facilitate management of metering infrastructure, including the replacement of smart meters. ENA strongly considers that decisions relating to interoperability should be industry led.

26. What do stakeholders think is the best approach to address data management and business interface issues?

Response

ENA believes these issues need to be addressed by the MCE initiated National Stakeholder Steering Committee and its related technical working group(s).

- 27. What do stakeholders think is the best approach to accommodating existing interval and smart meters currently in use and the Victorian process?**

Response

ENA's view is that an assessment to identify the differences between the national, Victorian and existing interval and smart meters be carried out by the Technical Working Group with a view to formulating transitional arrangements where necessary to achieve the objectives of the national roll out.

- 28. Do stakeholders know of any other issues that may require transitional arrangements?**

Response

Refer to ENA member organisation responses.