



Submission by

Alternative Technology Association

to

ESC Regulatory Review of Smart Meters

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Introduction

The Alternative Technology Association (ATA) welcomes the opportunity to provide comment on the Essential Services Commission's *Regulatory Review of Smart Meters*.

ATA is a representative of micro-generators in the National Electricity Market (NEM). The organisation provides service to over 5,000 members nationally, who are actively engaged with small scale renewable energy, energy efficiency and the NEM. With over 600 Victorian members operating micro-generation, ATA is well placed to provide feedback on the experience of micro-generators with the Victorian smart meter roll-out to date. In addition, ATA is also represented on the *National Consumer Roundtable on Energy*.

ATA continues to receive feedback from its Victorian members that micro-generators (particularly solar owners) are being disadvantaged in the smart meter roll-out process.

Micro-Generators Paying For Meters Twice

One particularly concerning issue for ATA members relates to meter change over when installing micro-generation. In some distribution areas, micro-generators are being advised that the Distribution Network Service Provider (DNSP) will not replace their old accumulation meter with a new 'smart meter' ahead of the 'roll-out program' for their distribution area.

For customers wanting to install micro-generation in these distribution areas, they are being advised that they will need to have installed a temporary bidirectional meter (i.e. a single element meter that can read both import and export energy flows but one that does not meet, and cannot be upgraded to, the minimum functionality of a Victorian smart meter).

ATA's understanding is that this bidirectional meter is installed at the customer's expense, with a second 'smart meter' installed at some time between now and 2013 – in accordance with the DNSP's roll-out program¹. This effectively means that the micro-generation customer is paying for two separate meters in the space of approximately three years (and potentially in a much shorter time frame).

ATA recognises that DNSPs may incur an additional cost in bringing forward a smart meter installation for one specific property as this may incur an additional truck visit on top of that planned under the formal roll-out program. We note however that some DNSPs seem prepared to defer this additional cost by using the opportunity of connection of new embedded generation to install meters which can be upgraded to (or later activated as) smart meters.

Whilst ATA accept that the responsibility for this truck / labour cost rests with the micro-generation proponent, we are opposed to the additional asset cost of the bidirectional non-'smart meter' being also borne by the proponent, as this is an avoidable disincentive to investment in micro-generation.

¹ ATA member experience is that this situation is occurring in the Jemena distribution network, but also may be happening in other networks.

ATA would like to see the process of meter change-over for micro-generators under the Victorian smart meter roll-out amended in this regard, such that the Regulations ensure that one standard process governs the relationship between DNSPs and customers wishing to install micro-generation ahead of the planned roll-out program in their area.

Recommendation 1: That DNSPs be required through the Regulations to install a smart meter (in accordance with the minimum functional specification under the roll-out) in any property that requests a meter change-over as a result of installing micro-generation.

Recommendation 2: That the costs incurred by the micro-generation proponent in the event of a meter change-over that does not conform with the DNSP's roll-out program be limited to the specific truck visit / labour costs associated with the installation, and not include the costs associated with a second, temporary bidirectional meter that does not conform to the standards under the Victorian minimum functional specification.

Micro-Generators Exclusion from Full Range of Retail Offers

Discrimination against micro-generators, by retailers restricting market contract offers to generators receiving a feed-in tariff, has been a common experience of ATA members. In undertaking research for the report *'Impediments to Grid Connection of Solar Photovoltaic: The Consumer Experience'*, the ATA uncovered numerous examples of individuals who, after installing micro-generation at their premises and seeking grid-connection, found themselves on market contracts with terms and conditions which were significantly less attractive than their original market contract.

Through the roll-out of Victorian smart meters, ATA remains concerned that once installed, electricity retailers have been limiting the micro-generation customer's choice of available retail market contracts. This issue is of particular significance with respect to the introduction of three part 'time of use' (TOU) tariffs. ATA understands (from advice received from the Department of Primary Industries) that some distributors may commence charging retailers network TOU tariffs from 3 May 2010, and that from this date retailers may choose to apply TOU retailer tariffs to customers in response.

As retailers will offer a number of different tariffs, such as a flat rate tariff; two part TOU; and three part TOU, ATA strongly believe that the full range of retail offers should be available to micro-generators as for regular small customers, without this effecting their entitlement to a premium feed-in tariff for energy sent out to the grid.

Recent ATA member experience suggests that some retailers are excluding micro-generation customers from the full range of retail offers and restricting them to TOU based offers only² – disadvantaging some micro-generation customers in the event that they cannot shift the times of their electricity consumption. This problem is further exacerbated by the discriminatory nature of net feed-in tariffs for micro-generation customers that must rely on electricity consumption during the day.

² Recent ATA member experience suggests that the retailer *Red Energy* is only offering TOU tariff products to micro-generators whilst maintaining a broader range of retail offers to non-micro generation customers.

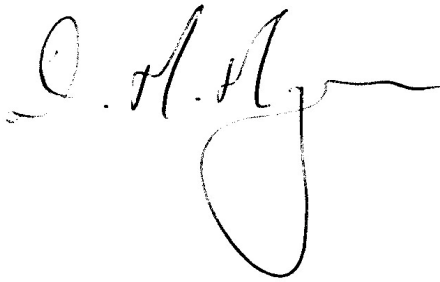
ATA has long advocated for explicit provision to be made in the relevant rules and regulations to protect micro-generation customers in this regard. ATA believe that without a specific requirement under the Regulations, retailers may continue to define these consumers as 'non-standard' and continue to limit their choice of market contracts.

Recommendation 3: That electricity retailers be required to offer customers with micro-generation equivalent energy retail products (i.e. contracts with similar general conditions and tariffs for energy imported from the grid) to products offered to customers who do not have micro-generation.

Further Contact

Thank you again for the opportunity to comment on this review and should you have any queries, please do not hesitate to contact the undersigned.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Moyse', with a large, stylized flourish at the end.

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