



St Vincent de Paul Society
VICTORIA

good works

Regulatory Review – Smart Meters
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE VIC 3000

4/ 08/2010

Please find attached the St Vincent de Paul Society of Victoria submission to the ESC draft determination on REGULATORY REVIEW – SMART METERS

The St Vincent de Paul Society has significant concerns regarding the draft decision, in particular in relation to the supply capacity control function. We believe that the ESC has failed to understand that this device is an **automated disconnection product**.

We believe that the Commission has failed to take this into account and hence provide appropriate guidance a number of significant issues that arise.

Our concerns include, but are not limited to:

- **Health implications** of the decision to allow retailers access to the supply capacity control for household and offer market based energy products. We believe that, as this is a product designed to change household consumption patterns that the ESC should seek advice and guidance on the health implications in conjunction with the Department of Health
- **Safety implications** of the draft decision pertaining to supply capacity control, this product is an automated disconnection product (it undertakes a remote connection / disconnection function) and as such similar to the ESC recommendations regarding remote disconnection reconnections this should be referred to the Energy Safe Victoria for review)
- The potential Impact that such a product may have on **household appliances**. This has implications for insurance and other claims that customers may have.
- The failure of the ESC in providing guidance on **threshold issues**, that is, what is the minimum kWh consumption level that a company can restrict supply of electricity to a household within these market offers.
- The relationship of this product in a Time of Use pricing environment for example this product may not be linked to a kWh consumption

level but rather a price per half hour or other period. As such as peak rate times and low consumption may result in high cost but the supply capacity device may activate. Again this concern relates to threshold issues.

- **Duration**; that is, how long can the disconnection of household supply occur when the supply capacity device is triggered before it become an actual disconnection.
- Appropriateness of **exit fees or other penalties** for exiting this when it is offered as a market product
- **Reporting framework** associated with this product, including for example for the number of times the supply capacity control devices was operated
- Implication for **concession and other state and federal government assistance programs** including: Winter energy concession, home wise and MS concession (these were important issues raised by the Victorian Auditor General in its review of smart meters) This is of particular concern as energy concession are designed to provide households with additional financial resources to allow households to maintain adequate consumption, this product has the potential to deny households there full entitlements.
- The relationship of this product to the current disconnection procedures and other non negotiable clauses detailed in the energy retail code this includes the various notices and procedures prior to disconnection, these are current terms and condition that are not negotiable when moving to a market contract
- The relationship to the current illegal disconnection payment protections.

We believe that given the above significant issues that the ESC should conclude in its final decision that all energy retailers be denied access to this functionality.

We do not however have the same reservations regarding retailer access to innovations that may be provided though direct load control made possible via the home area network.

We would welcome the opportunity to discuss these matters with you at a time of your convenience.

Yours Sincerely

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