Energy Policy and Programs

Department of Environment, Land, Water and Planning

11 November 2016

To whom it may concern,

RE: Secure Meters (Australia) response to DELWP Options Paper – Transition to Metering Competition in Victoria

Thank you for the opportunity to provide a response to the Department's option paper, as referenced above, released in October 2016. Secure have limited its comments specifically to the areas of our expertise and experience.

Secure Meters (Australia), through its parent company Secure Meters Limited, are a global leader in the development and manufacture of Smart Meters and associated Energy Monitoring and Automation product. Working across the major regions of Asia, Europe and Australia, Secure has more than 30 years experience in this domain starting with the first AMI smart meter designed in the 1970's. More recently Secure is a lead supplier of AMI meters to the Victorian AMI program having delivered over 1.4M AMI meters to 4 of the 5 distribution businesses.

Question 1

Do you support implementing metering competition in Victoria so that the current Victorian meter specification and/or the minimum service levels are retained?

The Victorian meter specification was distinctively designed around a contiguous mandated roll-out which aligned with the advantages of a MESH communication network and the functionality and performance service levels defined are reliant on this. Conversely, contestable metering under the Power of Choice, explicitly necessitates point to point communication topology which is diverse and requires different functionality and service levels. For example, broadcast load control via the group functions as defined in the Victorian specification are not appropriate or achievable in a point to point communication device, this functionality must be transitioned from the meter to the back office. Consequently, the current Victorian meter specification and minimum service levels cannot be implemented in a contestable metering environment as they stand. The Victorian specification is prescriptive in its nature and although ultimately the functionally could be achieved in a contestable metering environment, the functional and performance requirements of the specification will require re-design to accommodate the significant differences between MESH communication networks and independent point to point communicating meters.

Question 2

Should other considerations about the respective capabilities of the meters and service levels be taken into account?

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Refer to Secure's response to Question 1. Due to prescriptive nature of the Victorian specification, the functional and performance requirements of the specification will require re-design to accommodate the significant differences between MESH communication networks and independent point to point communicating meters.

Question 3

Do you have any comments or views on Options 1, 3 or 4??

It is critical to recognize that a significant proportion of the societal benefits being achieved are not directly through the DPI specification or performance levels but through additional meter functionality and ancillary back-office applications. By leveraging real-time granular engineering data, Distribution companies are able to better monitor and understand the electricity network performance. Without this additional functionality and data streams then only Option 4 can truly meet the VAGO priority of preservation of the existing benefits of the Victorian AMI system.

Question 4

Under Option 2, what additional measures should be considered in relation to meter installation and wiring safety, the safety associated with the use of the remote reconnection service enabled by smart meters, and community safety??

No additional measures need to be considered as this is currently being addressed by the EL-011 technical committee working with Standards Australia to release the AS62052-31 Safety Standard. This standard includes ZZ and ZA Appendix which ensure Australian specific safety requirements are met including the auto-disconnect after reconnect capability.

Question 5

Under Option 2, which party or parties should be responsible for communicating the changes to metering arrangements to consumers, and should there be any communication role for the Victorian Government?

Although Retailer's can communicate with end consumers to express the benefits of these changes, their communication will understandably be focused on the rewards of their own commercial offerings. Competition in Metering is a significant change to the regulatory and legal framework both nationally and within Victoria. It is Secure's view that the Government must take responsibility to properly articulate the market and regulatory changes that are happening, why they are occurring and the potential benefits for consumers. The Victorian AMI roll-out unfortunately suffered significant negative media and public reception for some time. Although since addressed through the Smart Meter and Switch-On websites, at the time, a lack of clear explanatory communication contributed to this and consumers were left feeling that they were being forced to pay for something without understanding of the long term benefits it would provide. Proactive government communication will ensure a more positive consumer adoption.

Question 11

Should Victoria vary its current policy position that smart meters are mandatory and allow households and small business to opt-out of having a communicating smart meter?

As noted by the Victorian Auditor-General's Office, It needs to be a priority of the Government to preserve the current societal benefits being delivered by the already deployed VIC AMI system. Many of the benefits currently realised are due to the contiguous network of meters providing continuous real-time data to the distribution networks. A change to an opt-out policy will contradict this priority and allow this network to be eroded.

Finally Secure would again to like thank the Department for the opportunity to comment and we look forward to providing any further information as required.

Yours sincerely

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