



ACTIVESTREAM

11 November 2016

Mr Mark Feather
Executive Director, Energy Policy and Programs
Department of Environment, Land, Water and Planning

Lodged via email: metering.competition@delwp.vic.gov.au

Dear Mr Feather,

RE: Transition to Metering Competition in Victoria – Options Paper

Active Stream Pty Ltd (Active Stream) appreciates the opportunity to provide a submission to the Victorian Government in response to its Options Paper on the Victorian Transition to Metering Competition (Options Paper).

Active Stream is an accredited Meter Provider and Meter Data Provider, which delivers digital meters and data services to energy retailers, distributors, and other businesses in the National Electricity Market (NEM). Established in 2014, Active Stream is a wholly owned subsidiary of AGL Energy Limited. Our digital metering solutions enable businesses to fully realise the benefits of advanced metering technology to deliver their services more efficiently and offer innovative products which better meet the needs of current and future energy consumers.

Having considered the options presented by the Victorian Government on how best to transition Victoria and its energy customers to metering competition, we strongly believe Option 1 will deliver the best outcomes. This option adopts the AEMC's final metering competition rule (the national approach) in full and in our view will:

- increase harmonisation and interoperability between Victoria and other NEM jurisdictions;
- minimises cost and operational barriers to participating vendors and service providers;
- reduces costs to Victorian customers;
- limits meter displacement; and
- will ultimately result in a better all-round customer experience.

Active Stream believes that supporting the emergence of metering competition and the deployment of meters through a consistent nationally supported market-led approach will provide all customers, including those in Victoria, with greater opportunities to take up a range of innovative products and services to best support their usage and investment decisions.

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While we understand the Victorian Government's preference is to implement Option 2¹, we do not believe it would create a competitive environment for meter service providers to deliver new products and services offered by Retailers in Victoria.

Implementing Option 2 will force meter service providers to implement the two different meter technical specifications, in order to operate fully across the NEM. This approach will inevitably add unnecessary cost² and complexity to metering businesses seeking to operate in Victoria, and may create a financial barrier as costs-to-serve increase. Ultimately this could deter meter service providers from entering the Victorian market, impacting the availability of innovative products and services offered.

Active Stream notes that, in our view, the Victorian metering specification contains additional functionality which is either no longer specific to Victoria, or has been superseded by advanced functionality. For example, the ZigBee transceiver is no longer technology best practice and the protocol version implemented in Advanced Metering Infrastructure (AMI) meters is now out of date³. Further, remote reading, remote de-energisation and re-energisation, auto disconnect and load management supply contactor are standard functions in digital meters which are mostly being used in Victoria and therefore are not unique to AMI meters.

We also acknowledge the objective of the Victorian Government is to preserve the benefits of the AMI investments in Victoria. However, we believe that there are sufficient protections in place under the national approach to achieve this objective.

These include⁴:

- the Victorian AMI Order in Council has been extended to December 2020, meaning that an exit fee would apply where an AMI regulated meter was unnecessarily replaced with a competitive smart meter. We note that the Australian Energy Regulator has approved these exit fees over the current regulatory pricing period to 2020;
- Distribution Network businesses are by default the initial Metering Coordinator (MC) for all connection points where a regulated Type 5 or 6 meter (including AMI meter) has been installed. The effect of exit fees, means that the MC and service provider roles at these connection points are unlikely to change over the short to medium term; and
- Distribution Network businesses have the ability to use “network devices” where the entity is unable to reach a commercial access arrangement with

¹ Which is identical to Option 1, but however, retains the Victorian meter specification in place of the national metering specification.

² Including capital, operational, system and maintenance costs.

³ The Victorian AMI meters only support the ZigBee 1.1 protocol but a ZigBee protocol 2.0 has since been released meaning that these meters will not be able to communicate with new products.

⁴ AEMC, Final Determination – Expanding Competition in Metering and Related Services, November 2015



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the Metering Coordinator at a connection point. This allows Network businesses to continue to access specific network services⁵.

With respect to the implementation, regardless of the option, Active Stream encourages the Victorian Government to clearly set out its timelines and continue to engage industry on its transition to metering competition. This is necessary to ensure that business and system readiness, via the Australian Energy Market Operator's procedural development process, is achieved for 1 December 2017.

If you would like further details or clarification on our views, please contact Caroline McGeechan, Network and Service Delivery Manager on 0407 603 116 or at CMcGeech@activestream.com.au.

Yours sincerely,

Jason Clark
General Manager – Active Stream

⁵ While Active Stream supports full commercial negotiation for access to meter services and believes this should extend to 'good faith' discussions with Distribution Network businesses, we accept the AEMC's final policy.