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Re: ERC0236 Metering Installation Timeframes

AGL Energy (AGL) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) Consultation Paper Metering installation timeframes.

AGL clearly sees the potential benefits of metering contestability but process inefficiencies caused by the varied interpretation of rules and procedures by participants involved in implementing Power of Choice are resulting in a poor customer experience.

Prior to the commencement of Power of Choice (POC), AGL had rolled out approximately 230,000 meters through its metering business. During that period, customers and retailers were afforded greater discretion to coordinate the timing of their planned interruptions for a meter replacement and AGL was better able to schedule and install digital meters in a more efficient manner.

Currently, the biggest inhibitors to quick and efficient installation of digital meters are regulatory in nature. For example, the meter exchange process could be 2 to 3 business days more efficient if there was not a delay between nominating the Metering Co-ordinator in MSATS and then the remaining roles.

Specifically, the most significant operational impact to AGL and to Metering Co-ordinators has been the requirement for a planned interruption communication to be provided to the customer with at least 4 business days' notice, advising them of a specific day their meter installation will occur (Rule 59C (2) of NERR).

AGL supports the AEC's proposed solution to allow customers to waive their right to the planned interruption communication and advanced notice of a specific installation date. This allows customers to ask to have their meter installed as soon as an installer can attend their property without the lengthy scheduling and notification periods. The solution will continue to allow for life support sites to follow the existing planned interruption communication process that notifies the customer of a single day when the meter exchange will be occurring.

In saying this, AGL does support the implementation of a guaranteed installation timeframe but only if accompanied by the necessary changes in processes.

Any rule change guaranteeing metering installation timeframes requires standardisation of current processes and enhancement of existing B2B transactions. This must be standard for all jurisdictions where the network continues to provide any connection work for metering installations.

However, processes such as the NSW ASP scheme, where participant interactions are minimised and the B2B messaging is not required for improved coordination, should sit outside of the guaranteed installation timeframe. They are providing improved outcomes for customers and should be supported and encouraged rather than changed. AGL would support other jurisdictions providing the ability for electricians to be accredited to complete connection work as well as being accredited to install meters on behalf on a Metering Provider.

If there is clarity of responsibilities and the process for raising requests is standardised using B2B then AGL would support a guaranteed metering installation timeframe of 10 business days given:

- the commencement of the relevant timeframe would be transparent under the B2B transactions; and
- a 10-day timeframe would allow for the logistical challenges of installing metering in remote areas.

The appendix to this submission contain details on the operational impacts of the POC regulatory framework to date, explores what is causing inefficiencies and proposes solutions that would enable guaranteed metering installation timeframes to be implemented.

Should you have any questions in relation to this submission, please contact Con Hristodoulidis at christodoulidis@agl.com.au or (03) 8633 6646.

Yours sincerely

Elizabeth Molyneux
GM of Energy Markets Regulation

Appendix 1: Metering Contestability

In understanding the current industry challenges related to metering, it is important to first understand the key drivers behind the installation of an electricity meter. AGL classifies the initiation of meter installations and exchanges into four main categories.

1. **Customer-initiated new connections**. These represent new connection points, usually to a newly built property. In each instance there is a new retail contract created for a customer.
2. **Customer-initiated meter exchanges**. These are customers with existing retail contracts who initiated a request to exchange their meter. The most common reasons for this request are as part of a solar installation, or to upgrade or relocate the meter.
3. **Distributor-initiated meter exchanges**. These are existing connection points that require a meter exchange for fault or asset replacement purpose. The network will notify the retailer of the need to replace the meter, who will appoint a metering coordinator to replace the network meter. Examples of these include meter faults, family failures and aged assets.
4. **Retailer-initiated meter exchanges**. These are existing retail customers where the retailer wishes to exchange the meter without the customer initiating the request. Examples of this could include to improve the accuracy of meter reads for customer billing or to resolve issues with chronic no access to a basic metered site.

AGL established Active Stream as a metering provider in the years preceding the commencement of metering contestability as part of the POC changes. Historically, AGL had arranged for a significant number of meters to be installed that were retailer initiated (category 4), however it was also involved with arranging customer-initiated requests through Active Stream (categories 1 and 2).

Many of the retailer-initiated exchanges were in response to customer requests. Examples of this include the closure of the NSW Solar gross feed-in tariff, where customers were provided a meter configured for net energy export at AGL's expense, regardless of whether they had requested the meter or not.

Following the commencement of POC, AGL ceased retailer-initiated meter exchanges and has only been able to focus on the remaining categories. The decision to cease these discretionary meter exchanges was due to the challenges in productivity meter coordinators were experiencing in meeting scheduling expectations related to notices of planned interruption, and the subsequent pressure it placed on AGL to be able to comply to the new rules.

AGL and meter coordinators continue to focus on providing metering to customers who have initiated the request, for either a new connection or meter exchange. Whilst the volume of work being provided to our Metering Co-ordinators has significantly reduced, the productivity of installers and thus timeliness of metering requests continues to decrease.

This decrease in productivity is exacerbated by the varied approach to meter contestability taken by each distribution network. Whilst metering contestability has provided for competition and the consequential benefits, the continued reliance on some networks to provide connection work and the related inability of metering coordinators to perform a coordination role has hindered progress.

The following sections detail these two key considerations. Section 1 outlines the process inefficiency and confusion customers, builders, tradespeople and others are experiencing which relate to delayed metering

installation while section 2 explains how changes to customer notification have had unintended consequences to productivity.

1. Efficiency and Process Issues

As outlined above, AGL considers there to be two types of meter installation that are initiated by customers:

- new connections requesting new supply points; and
- meter exchanges requesting an upgrade, relocation, or other change to an existing supply point.

The meter exchange can require connection work but often only require metering work. How connection work is requested and completed is a key issue that is relevant to the implementation of a guaranteed installation timeframe.

AGL sees the following issues will hinder the implementation of a guaranteed installation timeframe:

1. Customers being left off-supply because of a lack of coordination between the network completing the connection work and the nominated MC. These occur primarily for meter exchanges at existing supply points where work commences by the electrician or network without confirmation that the metering coordinator is attending the site. AGL sees the root cause of this to be the processes used between participants, and as such these are significantly more prevalent in South Australia;
2. A lack of consistency across the various distribution networks in how connection work is completed, especially where networks complete the work themselves; and
3. Customers waiting for long periods of time for their meter to be installed and lacking surety around installation timeframes, which occurs for both meter exchanges and new connections. AGL believes the cause is related to productivity across the industry, and as such is covered in section 2.

The issue of having customers off-supply need to be examined differently depending on the state:

- **NSW**: The Accredited Service Provider (ASP) scheme allows most connection work to be completed by suitably qualified contractors, in addition to the metering component. This sees greater control being placed in customers hands;
- **Queensland:** An agreed B2B process ensures that all participants are notified via the AEMO B2B ehub. This ensures all participants are aware of the status of a metering or connection work request using the Metering Service Works and Supply Service Works service orders initiated by the retailer;
- **South Australia**: Uses an off-market solution where metering and supply work is commenced via the SAPN REX portal, with no standard B2B visibility of the requests for other market participants.

It is AGL's position that off supply situations can be avoided by standardising processes across jurisdictions to ensure that requests between participants must be addressed via existing B2B ehub messaging when the network is involved with the connection work.

Further to this, AGL believes the NSW ASP scheme provides the most efficient method for hanging electricity meters, with the best outcomes for customers of all types – energy consumers, builders and tradespeople. This is because the coordination with the network is rarely required, allowing meter coordinators to assign suitably qualified ASPs to complete both the connection and meter installation components where required. This provides a guarantee of installation timeframes for the customer as they directly interact with the party that is completing the work, instead of through the retailer or network.

The context of these issues is important when proposing solutions which could lead to a guaranteed installation timeframe.

Proposed process solution

AGL supports the implementation of a guaranteed installation timeframe if the above issues are addressed. Providing clarity of responsibilities and clear processes for raising requests would simplify how to measure the commencement of the timeframe and put all participants in a better position. AGL proposes the following key activities would support the introduction of a guaranteed meter installation timeframe:

1. Standardisation of the use of existing B2B transactions should be enforced unless all participants involved with the request have agreed to an alternative:
    a. All requests that require the network to complete connection work should require use of the Supply Service Works (SSW) service order, raised by the retailer, including the use of notified parties where required.
    b. Where the customer is also requesting metering work, a Metering Service Works (MSW) service order should be raised, including the use of notified parties as required.
2. Guaranteed installation timeframes should apply to both the SSW and MSW:
    a. Where SSW must be completed sequentially before the MSW, such as in the case of a new supply, the SSW should fall into a guaranteed installation timeframe where the site is ready. Once the SSW is completed the MSW installation timeframe should commence. As such the customer is guaranteed that both the network and metering provider will complete their components in a timely manner.
    b. Where the SSW and MSW must be completed at the same time, such as in a supply upgrade, it should be the responsibility of the Metering Coordinator to arrange a date of installation that allows all participants of the coordinated work to attend within the guaranteed installation timeframe.
3. Standardisation of the use of Coordinated Parties B2B message. It is proposed that where a retailer raises a request that requires the Meter Provider and Network to be on site at the same time to meet a customer request, that the obligation to propose dates and coordinate between all parties to complete the request sits with the Metering Coordinator when B2B messages have been raised by the retailer indicating coordination is required. This ensures that the Metering Coordinator is completing their intended participant role and is critical in resolving off supply issues in South Australia where ambiguity exists around who schedules the work. Networks enforcing their own scheduling and proceeding with the connection work without confirmation from the Metering Coordinator that the Metering Provider will attend should not be allowed.
4. Regarding the NSW ASP scheme, customers who choose to engage an ASP or equivalent party that can complete all aspects of the metering and connection work should be outside of the guaranteed installation timeframe. The strength of the ASP scheme is that it allows customers to engage with a tradesperson directly who can complete the work within a negotiated timeframe, the performance of the retailer, network, or metering provider does not impact it.
5. Should other jurisdictions provide the ability for tradespeople to complete connection and metering work in a fashion similar to the ASP scheme, these requests should also sit outside of the guaranteed

installation timeframe and are instead by negotiation with the tradesperson. AGL would support South Australia and Queensland providing an ability for electricians accredited to install meters on behalf on a Metering Provider also being accredited to complete connection work.

6. Guaranteed installation timeframes for both SSW and MSW should only apply where the site is ready. As such, exceptions to the guaranteed installation timeframe should apply for a range of issues that are outside of the participants control, including access issues, sites not being ready or defective electrical installations.

7. Where SSW or MSW are not ready to proceed due to an exempted reason such as the site not being ready or electrical defect, and as such will fall outside of the guaranteed installation timeframe, the responsible participant should be required to inform all notified parties by standard B2B transactions.

2. Productivity concerns

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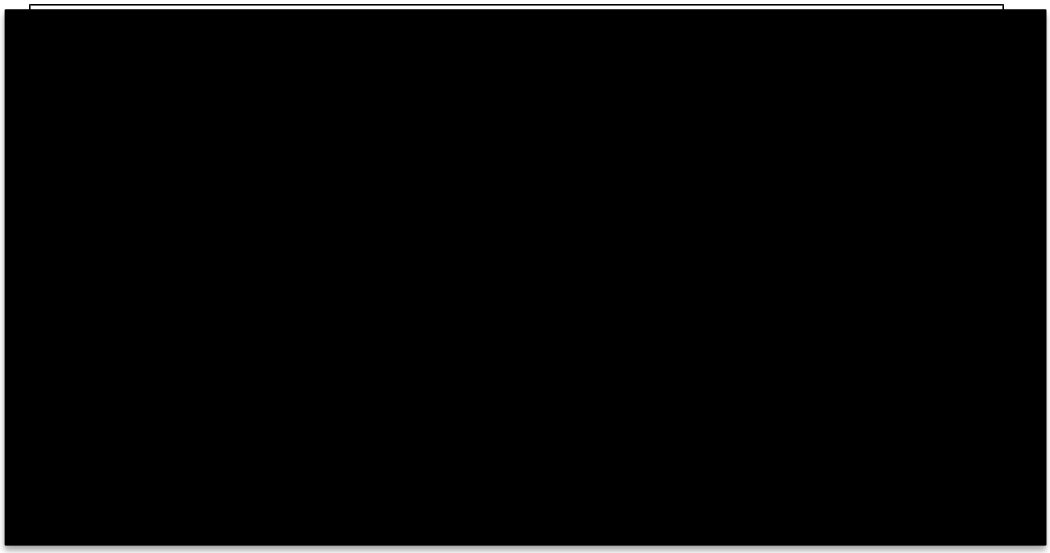

Impact on meter exchange timeliness?

Since POC commenced, both AGL and our Metering Co-ordinators have focused on complying with the newly introduced rules. The most significant operational impact has been the requirement for a planned interruption communication to be provided to the customer with at least 4 business days' notice, advising them of a single day their meter exchange will occur.

This change has had several impacts to the overall timeliness of meter exchanges

1. Introduced longer planning times. AGL and our Metering Co-ordinators have focused on ensuring that customers receive a planned interruption communication with a specified day for attendance in advance of the metering work. Since this level of planning requires a longer lead time, with more coordination between AGL and the Metering Co-ordinator, significant delays have been added to meter exchanges.
2. Reduced meter installer productivity. Meter exchanges requiring a specific appointment day advised ahead of time has reduced installer productivity. Whilst the activity of replacing a meter has not changed, metering installers can no longer take advantage of any flexibility or gaps in their schedule. There are various examples of this inefficiency, including but not limited to
    a. Installers are unable to continue exchanging meters when sites scheduled for the day have been completed, even when the installer has the capacity and meter stock to continue working.
    b. Installers are unable to complete work with sites that are geographically located near each other if the initial scheduling for the sites does not occur at the same time, as the planned interruption communication will specify different dates or times.
    c. Installers are unable to reschedule work to the following day or bring scheduled work forward, even at the request of the customer.

3. Conservative planning. As the productivity of installers has dropped, so too has the number of planned installations per day. Metering Co-ordinators' schedulers must be conservative in their appointment scheduling as the meter exchange can only occur on the advised date, as such they are advising dates further and further into the future to ensure the appointment is met.

4. Increased rescheduling effort. Any missed appointments must be rescheduled for a minimum of a week later, as it must again factor in the preparation, creation and dispatch of a notice which has to be received with at least a four business-day notification of the planned interruption. Any disruption to the schedule from weather, access to the site or change of schedule time at the request of the customer requires a full rescheduling and re-notification to the customer.

It is important to note that efficiency of the Metering Co-ordinators and their meter installers has a flow-on impact to other types of metering work, including new connections and coordinated appointments with networks. Increased flexibility of the work schedule improves installation timeliness across all types of metering requests. It also provides the right commercial incentives to installers, who generally are compensated for their installation efficiency under Metering Co-ordinator contracts.

Through experience over years of providing metering to customers, it is AGL's opinion that customers would generally prefer their meter installation to be as prompt as possible. AGL acknowledges that some customers desire a single day installation timeframe for a variety of reasons, including access issues, security and many others, however overwhelming customer feedback has been that this is a secondary concern to being able to commit to a prompt installation timeframe.

Proposed productivity solution

AGL and Active Stream have demonstrated an efficient operating rhythm from years of working together. This operating rhythm was based on a simple premise – customers should have their meter installed within a two-week window. Contractually, AGL and Metering Co-ordinators have a variety of KPIs in place to ensure this is a key focus, but only in the situation where a customer does not require a specific appointment for date of installation. Under the current rules, all customers require a specific installation date, and thus efficiency of meter exchanges has significantly reduced.

The proposed solution is to allow customers to waive their right to the planned interruption communication and advanced notice of a specific installation date. This allows customers to ask to have their meter installed as soon as an installer can attend their property. This will include key customer protections, practised over years of completing installations. Of importance is ensuring that all sites with a life support requirement continue to follow the existing planned interruption communication process.

The proposal allows for customers to have more say over the level of service they require. They can request the meter to be installed as soon as possible and waive their rights to a specific day of installation, or they can choose to be informed of a specific installation day via the existing planned interruption communication process, acknowledging that in most cases this will be a longer process to fulfil.

This proposal will have several significant impacts to the productivity of Active Stream and the timeliness of meter installations:

- Most customers will choose to waive their planned interruption communication and ask for a faster install. Testing of customer correspondence over years has shown that most customers do not require an appointment day. If they do, it will most frequently be due to poor access on the property.

- This will also open numerous possibilities for more efficiency to be embedded into scheduling processes, allowing the possibility of installation in days or even same day if an installer happens to be in their area. In the case of NSW, it could be immediately after appointing the Metering Co-ordinator if they have already approached their own Accredited Service Provider who has meter stock available.
- Increasing flexibility for meter exchange requests will also increase availability of appointment dates. As installers have more flexibility in their work, they can attend several pre-booked appointments and schedulers can optimise their installations for the remainder of the day based on their geography.
- Increasing appointment availability helps minimise issues currently being experienced in South Australia around coordination with SAPN where required.
- Increasing flexibility for meter exchange requests will flow on to improve timeliness of new connection requests, as meter installers will be operating in a more efficient manner.

By far the most significant improvement will be to customer experience. The impacts of being able to schedule work more flexibly with customers and increase meter installer productivity will significantly reduce complaints and frustration being experienced by customers, tradespeople, solar companies, and builders.

Application to distributor and retailer-initiated metering

AGL has received a large number of Meter Fault Notifications across NSW, SA and Queensland that are awaiting MC nomination and meter exchange, predominantly for aged assets. Given the current focus on customer-initiated work and compliance, AGL has not commenced these exchanges except for where it is a result of a customer-initiated meter investigation.

Future demand for meter installation will continue to be significantly driven by the various distributor-initiated reasons, particularly aged asset replacement. In the current environment, each of these meter exchanges will require the same level of notification and planning to provide a single day for the meter exchange to occur. As such, these meter exchanges compound the challenges faced by Metering Co-ordinators.

By allowing these meter exchanges to be installed in a two-week installation window, Metering Co-ordinators will have a greater spread of work across more geographical areas, higher productivity, and improved installer retention. All of this is achieved by the economies of scale available when completing a higher volume of meter installation with increased productivity. It enables the Metering Coordinators to maintain more staff, have more flexibility to control customer outcomes and run a more efficient business. The previous scheduling challenge becomes a strength for metering deployment productivity.

The above holds true for retailer-initiated work. AGL would like to assist a wide range of customers by proactively providing them with digital meters, as we have previously demonstarted. For example, when the NSW solar bonus scheme closed, AGL used the retailer-led process to provide installation windows to all customers that were impacted by the scheme closure, providing meters configured for net solar export free of change.

Another large group of customers that AGL would like to assist are those with Manually Read Interval Meters (MRIM). Customers with this type of meter are over-represented in billing complaints and issues, driven by the fact that their billing data regularly has challenges as the billing intervals are retrospectively applied to the customer's account, consistently causing inconsistencies and errors. Replacing these meters is of benefit to both AGL for their efficiency, and the customer for their billing outcomes. Currently, AGL has over 100,000 customers that would fall into this category.

In support, AGL would highlight that this process was used for years by AGL and Active Stream in retailer led meter deployment and we found that:

- Less than 5% of customers would ask AGL for a specific date of installation; and
- All customers received written advanced notification of their two-week installation window.

Ultimately, the reason for adopting the proposed process for distributor and retailer-initiated metering is for the increased productivity that will arise from having a higher volume of flexible metering requests. The economies of scale this provides has a clear flow-on impact to the ability to meet customer-initiated requests for meter exchanges and new connections in a timely manner.