

Australian Council of Social Service and
Consumer Advocacy Panel

NEM Advocacy – National Smart Meter Consumer Advocacy Project

Consumer Advocacy Panel reference: Application 315

Progress Report #1:

Period 01 July 2008 through 30 June 2009

Provided under the terms of the Agreement

Tony Westmore, Senior Policy Officer (Electricity)

Introduction:

ACOSS made application to the Panel for financial support of work to facilitate advocacy of small consumer interests in a significant project of the Ministerial Council on Energy deriving from decisions in December 2007 (and subsequently June 2008) to proceed with work towards a national roll-out of smart electricity meters. The application was for funds to support participation in meetings and related expenses. The application was not for funds to support labour or related expenses. The advocates working through this project are established and supported through a variety of means including other Panel-funded projects, jurisdictional governments and independent sources. The co-applicants at Consumer Utilities Advocacy Centre (Victoria), St Vincent de Paul Society Victoria and Consumer Action Law Centre have all been involved in the project, amongst advocates from other organisations including: UnitingCare Wesley Adelaide, Ethnic Communities Council of New South Wales, Queensland Council of Social Service and Alternative Technology Association. Consumer advocates working on this project represent interests independently but are understood to be participants in the National Consumer Roundtable on Energy.

When the application was lodged the scope and detail of the National Smart Metering Program had not been finalised. The application was approved by the Panel on that understanding and on the basis that funds would be provided in the context of the application (outputs and outcomes) on a reimbursement basis.

Summary of progress: highlights

In retrospect there is some clarity around three distinct phases of the project to date: scoping, establishment and operations. Consumer advocates have been involved in all three phases and continue to be involved in the operational phase which is intended to run through to June 2012, although at a level of intensity that decreases dramatically from June 2010.

Scoping

In this period the project was devolved from the MCE Standing Committee of Officials (SCO), the inter-jurisdictional Smart Meter Working Group (SMWG) and the Department of Resources, Industry and Tourism (DRET), through a stakeholder Scoping Group to become the National Smart Metering Program under governance of the National Stakeholder Steering Committee (NSSC). The NSMP is funded and hosted through an arrangement with the Australian Energy Market Operator (AEMO).

AEMO hosts the publicly accessible website for the NSMP at
<http://share.aemo.com.au/smartmetering>

Background documents including the MCE decisions and precursor material (the cost benefit analysis), the NSMP terms of reference are stored on this site.

The scoping period involved an iterative process between SCO and stakeholders to agree a governance framework and a terms of reference and to chose and independent chair.

The scoping period enabled consumer advocates to meet, to plan an approach and to consult with a wider group of stakeholders through the Roundtable and through a meeting held in Sydney in July (details attached) with a diverse range of consumer organisations. A key component of this work was learning from the Victorian experience of AMI.

One outcome of the scoping process was to ensure consumer representation on the NSSC, albeit with one voting seat compared with four each for distribution and retail businesses. Tony Westmore of ACOSS is the National Consumer Roundtable on Energy nominee to the NSSC for the initial one year term.

Establishment

The first meeting of the NSSC with the independent chair was convened in August of 2008. The Committee has since met monthly, at least. The Committee, in conjunction with AEMO (or NEMMCO as it was then) commenced a procurement process for secretariat services. The NSSC consumer member was a party to this process, the interviews and decision. The Committee resolved to engage PricewaterhouseCoopers for the role and the secretariat commenced operations in early October.

The first order of business was the translation of the NSSC terms of reference into a work plan and the establishment of working groups, initially Business Requirements, Regulation, Pilots and Trials, Business Process and Procedures. The NSMP NSSC work plan was approved by MCE in December of 2008.

It should be noted that DRET maintained to itself the other stream of work envisaged by MCE and SCO: consumer protection and safety. This work was intended to be undertaken in parallel with the work of the NSMP and also work towards the National Energy Customer Framework (NECF).

Operations

From early 2009, the NSSC and Secretariat moved to procure subject matter experts to lead the Business Requirements, Regulation and Pilots & Trials working groups. The NSSC consumer member joined selection panels for the Business Requirements and Regulation. From early March these groups and the work of the Program commenced.

Consumer advocates are represented on the Business Requirements working group (Tony Westmore or ACOSS and Craig Memery of Alternative Technology Association), Regulation working group (Tony Westmore of ACOSS, Janine Rayner of Consumer Action Law Centre, Mark Henley of UnitingCare Wesley Adelaide, and more recently Deanna Foong of Consumer Utilities Advocacy Centre) and Pilots & Trials working group (Joyce Fu of Ethnic Communities Council, Gavin Dufty and May Johnston of St Vincent de Paul Victoria, Linda Parmenter of Queensland Council of Social Service). Details of processes and proceedings of these groups can be found at the AEMO hosted website noted above.

This project has allowed for the cost of travel and related expenses for consumer advocates to participate in the processes described above and meetings listed below.

Summary of project outputs and outcomes

At 30 June 2009 the project is well advanced. It should be noted that the timing of project deliverables has shifted significantly since the application for funds was made in June of 2008. At June 2009 key deliverables from the Business Requirements and Regulation working groups are not likely to be finalised before year end and possibly not until early 2010.

The work of consumer advocates through these processes is in line with the outputs and outcomes proposed in the application.

Meetings and consultations:

20/06 Scoping Group - National Stakeholder Steering Committee
22/07 Scoping Group - National Stakeholder Steering Committee
14/08 *DRET Forum re consumer protection and safety*
19/08 NSSC Inaugural meeting
17/09 NSSC
03/10 *PwC Secretariat commences*
15/10 NSSC
05/11 NSSC
19/11 NSSC
28/11 NSSC
01/12 *Delivery of NSMP work plan to MCE*
12/12 *MSC approves NSMP work plan*
17/12 NSSC
21/01 NSSC
30/01 NSSC
04/02 *Consumer advocate briefing by EnergyAustralia and Integral Energy*
05/02 *MCE Forum re proposed NEL amendments*
11/02 NSSC (Extraordinary, teleconf re proposed NEL amendments)
18/02 NSSC
03/03 *DRET Forum re consumer protection and safety*
06/03 Business Requirements
10/03 Regulation
12/03 Pilots & Trials
18/03 NSSC
02/04 Regulation
03/04 NSSC (Extraordinary, teleconf re procurement)
15/04 NSSC
17/04 Business Requirements
23/04 Pilots & Trials
05/05 Regulation
12/05 Business Requirements
20/05 Pilots & Trials
21/05 NSSC
25/05 Regulation (subgroup teleconf re NECF)
03/06 Regulation (subgroup teleconf re MCE request to AEMC for advice re cost recovery)
09/06 Business Requirements
11/06 NSSC (Extraordinary, teleconf re NECF)
15/06 Regulation
17/06 NSSC
18/06 Pilots & Trials



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TOTAL ENVIRONMENT CENTRE

Smart Meters for Electricity: potential benefits, costs and impacts on households

**Thursday 10 July 2008, 12.30 – 4pm (light lunch from 12.30 and seminar to commence at 1pm)
ACOSS, Level 2, 619 Elizabeth Street, Redfern**

The Australian Council of Social Service, the St Vincent de Paul Society, the Consumer Utilities Advocacy Centre and the Total Environment Centre are inviting you to participate in a seminar on national and jurisdictional smart meter projects and related consumer and environmental issues.

On 13 June, the Ministerial Council on Energy committed to the development of a national smart meter framework that supports electricity distribution businesses to be responsible for the rollout of smart meters. NSW and Victoria have committed to the rollout of smart meters, while some jurisdictions will undertake pilots and further business cases to confirm costs and benefits. As such, more than 5 million smart meters are expected to be deployed by 2017 at a significant cost to consumers.

The aim of this seminar is to provide an overview of smart meter developments and to facilitate a discussion on consumer impacts and other broader implications of mandated (and 'accelerated') smart meter projects, such as dynamic tariff options (ie time of use), demand elasticity and greenhouse gas emissions.

Tony Westmore (ACOSS), Gavin Dufty (St Vincent de Paul), May Johnston (CUAC) and Glyn Mather (TEC) have all been involved in national and jurisdictional smart meter debates and projects. They will talk to some of the key consumer issues in relation to government mandated smart meter projects and provide an overview of developments to date. However, we encourage seminar participants to contribute to discussion as we would like this seminar to be informal and conversational rather than a series of presentations.

Seminar agenda

1) Energy and equity issues

- Consumption, cost and issues for low income households

2) Smart meter developments in Australia

- A brief overview of the Victorian Advanced Metering Infrastructure project
 - Emerging issues for the Victorian rollout
 - Price proposals
 - Ongoing challenges (i.e. availability of technology)
- A brief overview of the national smart meter project

3) Key issues emerging from the national smart meter cost benefit analysis

- Demand response benefits and estimates
- Minimum functionality specification – what the meters should be capable of

4) Smart meters and climate change policy

- Impact on greenhouse gas emissions

5) Looking ahead – key consumer issues/advocacy points

- Pricing principles for cost allocation
- Regulatory arrangements for pass through of benefits/savings to consumers

Statement of project income and expenditure as at 30 June 2009

(nb: the accounts of this project have been subject to external and independent audit)

	project	actual	project
	budget	to Jun 09	remaining
income			
grant	41910	0	41910
other	0	0	0
total	41910	0	41910
expenditure			
travel etc	38763	16719	22044
teleconferences	1227	0	1227
administration	1920	1920	0
sundry	0	296	-296
total	41910	18935	22975
surplus/deficit	0	-18935	

A detailed transaction listing has been provided under separate cover. Please direct any questions about project finances to Mr Ray Pedley at ACOSS on 02 9310 6200.