

Regulatory Review – Smart Meters Public Submissions Closing date 13 August 2010

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I wish to highlight a number of aspects arising as a consequence of the planned introduction of smart meters and their impact on vulnerable customers.

This submission covers:

- Tariffs
- Billing
- Concessions
- Load shedding and remote disconnection; and separately
- Impact of installing Photovoltaic (PV) Solar generation systems without battery backup

TARIFFS

The issue of rising prices for energy, and particularly here for electricity, in light of the actions being discussed and progressively being introduced as a consequence of global warming and the desire to reduce carbon (dioxide) emissions is going to have very significant adverse impacts on vulnerable customers. The introduction of smart meters with ability for these meters to handle Time of Day tariffs is but one of these impacts. It is virtually inconceivable that vulnerable users would be able to invest in appliances capable of handling delayed starts and hence will draw the majority (if not all) of their electricity during the shoulder and peak tariff times. Thus the Time of Use tariffs will be of particular concern to them.

A retailer Standing Offer is the most probable tariff that vulnerable customers would use. Hence unless a separate category is made for them these tariffs should be as keenly priced as possible. A case could be made for a special category for vulnerable customers as an artificially low standing offer would be available to all users, both high and low consumptions, and thus adversely impact on the drive to reduce electricity usage by financial pressure. (Refer below for comments on Concessions)

BILLING

Under the heading of Billing it occurs to me that vulnerable customers could be offered a bill that reflects the least cost tariff for the energy consumed at the time of metering irrespective of the notional tariff that they may have been committed to. Again this approach could be adopted before the application of any concessions to the resultant bill.

CONCESSIONS

Presently electricity bills are subject to State Government winter energy concessions to applicable consumers and it is intended that these will continue with the advent of smart meters. However, the proposed tariffs will be introduced further down the track but probably before the Federal Government

introduces its compensation proposals to offset the impact of its carbon emission reduction proposals. Already the State Government has proposed its own anti-global warming actions with consequent adverse impacts on future electricity pricing. Is it time for Victoria to bite the bullet and offer vulnerable customers “no net impact” concessions to offset these significant changes, at least as a transitional arrangement?

LOAD SHEDDING and REMOTE DISCONNECTION

While interruption of supply occurs now during times of high demand, low supply and through accidents, the advent of smart meters can and will increase the number of local and possibly wider-spread outages. As a consequence I feel the number and range of public health and safety facilities should be critically reviewed to provide higher priorities for continuity of supply. Public lifts in high-rise apartment blocks and external security lighting could be such priority.

Remote load shedding now occurs but disconnection from supply has required a visit to site to effect the action. Many situations can lead to errors being made and power is rightly or wrongly shut off. However, I feel that planned domestic disconnections from supply should be carried out during a physical site visit thereby reducing to the absolute minimum the possibility of an error being made. Again these visits should extend beyond just vulnerable customers to include all domestic customers.

SOLAR PHOTO-VOLTAIC (PV) GENERATING SYSTEMS

My investigations have confirmed that without battery backup the commonly recommended and installed PV generating systems will shut down whenever the electricity supply is interrupted. Thus when local generation is most necessary it would in fact be inoperative. As the cost and complexity of a battery backup PV system is very significantly greater, this operational requirement is conveniently overlooked and only the lowest cost system is advertised to the general public. I feel that this situation should be clarified in all future advertising of PV systems.

Signed: William L Brazel

Dated: 9 August 2010