

Submission to the ESC REGULATORY REVIEW – SMART METERS
ISSUES PAPER APRIL 2010

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Issue for comment

Are there other guiding principles to which the Commission should give consideration in this review?

The commission should include guiding principles to govern TOU charging to ensure that consumers are not disadvantaged by TOU when they have no choice as to when they consume the energy in a high energy consumption device where the time of use is governed by practical use of that device.

Example: Family meal times dictate when an electric oven must be used. Generally this would be in a peak evening period.

Example: A septic or gray water sump pump is activated by water level and the consumer has no choice when the device operates. This is particularly relevant to the recent roll out of pressure sewer systems where the consumer powers a high energy device belonging to the water authority that must overcome the pressure within the system to discharge its holding tank.

Consideration: The smart meter be able to measure multiple channels so that power consumed by a necessary high energy consumption household device attracted a different tariff consideration to a device where there is choice as to time of use.

Consideration: The meter be able to measure a separate channel and the information be of sufficient granularity that another body could be billed for the power usage – e.g. a water authority that has mandated a pressure sewer with a high energy discharge pump.

Issues for comment

Will the proposed approach to including the consumption by tariff segment, total consumption and tariffs for the billing period ensure customers maintain their ability to confirm the accuracy of the bill?

What are the implications for cost, feasibility and information value to customers of the options for the meter's total accumulated consumption on the bill?

Consideration: It is essential that those consumers that care to check their bill have enough information within the bill and the meter and be trained in the use of the meter so that they can check the accuracy of their bill over a sustained period.

Issues for comment

Comments are sought on these, or alternative, options for ensuring customers are able to compare competing retail offers when time-of-use tariffs and more complex tariffs are introduced.

Consideration: The ESC provide a call centre and internet based interpretation service that centralises the offers available from all retailers allowing consumers to compare them.

Consideration: The individual retailers provide service where when making an offer to the consumer that the consumer can identify their smart meter and the retailer can provide sample bills for a given period showing the true costs that would be billed allowing the consumer to compare the same period from their current provider to see the exact differences.

Issues for comment

The current regulations for explicit informed consent may be seen to be acting as a barrier to customers accessing more timely information upon which they could better manage their costs. Views are sought on:

- Whether an 'opt-out' approach to monthly billing for deemed or standing offer customers is appropriate?
- What are the implications for the costs and timing of the current collection cycle if customers move to monthly billing?
- How should any changes to the customers' current billing cycles be implemented?

Monthly billing increases the environmental impact of the billing cycle by consuming additional paper and non renewable resources through the printing, packaging and delivery processes.

Consideration: Any proposal that provides for increasing the billing cycle should include a means to reduce the environmental impact such as providing the bills electronically. Those consumers that could not receive their bill electronically because they do not have internet access must be offered an alternative without cost to them so that they are not disadvantaged.

Consideration: There are times of year when family budgets are stretched to the limit. December, January and February are often difficult times for families where they must bear the brunt of Christmas, school holidays and return to school expenses. Monthly billing may ease these times by providing a smaller amount to pay than the quarterly bill. For those families who make an arrangement with their retailer to time their quarterly bills to arrive in March (as I do) consideration to remain on quarterly billing should continue to be an option. The retailer should not be able to force the consumer to change cycles. Further, the retailer should not be able to change the cycle without seeking the consumer's consent. This will allow the consumer to choose the billing cycle most suitable to their own situation.

Issues for comment

The proposal is to require retailers to provide customers with a graph similar to that used by EnergyAustralia or Ontario Energy Board when time-of-use tariffs are introduced for customers with smart meters.

What are the implications for incremental costs or barriers to innovation of this approach?

Given the customer feedback from overseas pricing pilots, and the potential move to monthly billing, mandating daily periods may also be beneficial for customers. Comments are invited on this approach.

Consideration: To ensure consumers understand their bill and are able to make informed choices particularly when TOU charging is applied a graph showing the consumption is necessary.

Reviewing the Ontario example I found it challenging to work out how much had to be paid in total (this may have been on another page) but found the graph straight forward.

Consideration: Monthly graphs showing when most energy is consumed for each tariff is essential so the impact of using a high energy device where there is choice for time of use such as a clothes dryer can be readily interpreted and acted upon by the consumer.

Daily graphs are probably unnecessary generally but should be available on request for a given period at no cost while consumers get used to TOU and adjust their lives to suit should they choose to. Some consumers would be very interested in ongoing daily graphs. These same consumers would probably seek an in home display so could potentially use these devices instead of a printed graph.

Daily graphs would be vital in some community circumstances where a single power meter is shared amongst several groups. Example: A community hall where local community groups make use of the facilities.

Consideration: It must be possible for an authorised person to determine at what times and dates power was consumed so that usage charges can be correctly distributed amongst the users of the community facility.

Issues for comment

What steps could be taken by the distributors and/or the retailers to ensure that the wrong customer is not disconnected with smart meters?

Should retailers take additional steps prior to disconnecting all customers, as well as noting on the disconnection warning that the disconnection may be carried out remotely?

The potential for damage to the consumer is high should the consumer at the wrong location be disconnected remotely.

Example: A consumer at the wrong location is disconnected remotely and they experience spoilage of refrigerated and frozen goods. This could be compounded if the mistake was detected and power reintroduced and the consumer unaware their frozen goods had thawed and refrozen.

Example: A consumer at the wrong location is disconnected remotely and their gray water sump overflows filling the space under their house with water that subsequently leaves their property making them liable for EPA or local council regulation breach.

Consideration: Retailers and distributors must ascertain the correct location is to be disconnected / connected. The penalty for disconnecting the wrong location should be high and paid directly to the consumer at that location in compensation. Ascertaining the location is correct should be done manually and potentially require a personal contact with the consumer – this could possibly be managed via an in home display that beeps, vibrates and flashes lights constantly until acknowledged for at least 48 hours before the proposed disconnection or via telephone contact. Consideration must be given to infirm, deaf and blind consumers who may not receive such a message. Perhaps the retailer needs to establish classes of customers that require a onsite visit prior to disconnection.

Consideration: Where is mistake is identified either by the retailer, distributor or by a consumer making contact with their retailer that power be immediately reconnected with no artificial delay.