

Noel Schubert

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**AA4 Project Team
Western Power
GPO Box L921
Perth WA 6842**

Submission re: Metering Model SLA

Dear AA4 Project Team,

Thank you for the opportunity to attend the recent metering forum and to comment on the proposed changes to the Metering Model SLA, as described in the consultation paper and forum presentation.

I have worked in the WA electricity industry for 32 years in various roles across the whole supply chain from generation through to customer end-use of electricity, including on demand-side management, renewable energy and non-network solutions.

Support for the proposed advanced metering rollout

Advanced electricity metering, with its associated tariff price signals and services functionality, is fundamental to being able to achieve good customer consumption behaviour and responses to help achieve more economically efficient supply of electricity. Without good metering services and tariffs, electricity supply system peak demand and supply costs are higher than necessary and unfair cross subsidies exist which cause customer responses that make the situation even worse. The cross-subsidisation of air-conditioning on peak demand days is one current example of the consequences of poor price signals. It has resulted in much higher electricity demand and supply costs than could be the case with effective peak demand management which good metering services and tariffs could facilitate.

Also the take up of solar PV by many customers has been, and is currently, over-incentivised by poor electricity price signals that cause cross-subsidies to it in the majority of instances.

For these and other reasons I support the proposed rollout of advanced metering and services for new meters and meters that need replacing (replacement meters), as a first step towards the more widespread deployment of advanced metering and services.

Once this initial rollout is underway it is important that advanced metering and services are then progressively rolled out to other existing customers whose meters are not yet in need of replacement, so that the financial and other benefits of 100% rollout in target areas of the network can be used to justify deferral of augmentation network capex in those areas.

Horizon Power is now starting to make use of the advanced meters already rolled out to almost 100% of their customers, to offer innovative solutions to a number of issues Horizon Power and customers face. The functionality offered by these meters is highly valued by Horizon Power and customers who have participated in trials.

With regard to additional functionality that should/could be specified for the advanced metering infrastructure, I recommend that Western Power engage with Horizon Power to understand what additional functionality Horizon Power is using and planning to use from their advanced meters.

It would be very useful to the network operator and wholesale electricity market operator, or third party aggregators, for customer battery charging, electric vehicle charging and other discretionary loads (that customers don't necessarily need to have on at particular times like at network peak demand times), or PV systems, to be able to be switched off or on remotely in an aggregated manner with the agreement of customers. Such meter functionality should perhaps be specified until such time as a better technology solution is available and widely deployed to achieve such system support flexibility from distributed energy resources.

Need for more cost-reflectively structured network and retail tariffs

In parallel with the advanced metering rollout it is also important that much better structured network and retail electricity tariffs, and customer education and other behavioural response programs, are implemented to achieve the electricity cost savings that are available from better customer responses. Better responses in the take up of new technologies (PV, batteries, electric vehicles etc.) and better consumption patterns in response to customers seeing the time-varying costs of supplying electricity will result in lower costs of electricity supply and lower bills for customers.

Continuous improvement process

I also recommend that the advanced metering services rollout to additional customers (whose meters are not yet in need of replacement), and ongoing tariff improvement, be planned by Western Power to be a continuous process with 'stretch' steps throughout each access arrangement period and not just each time a new access arrangement proposal is prepared.

To this end I support the reasonable \$64 charge for discretionary meter replacement for metro customers. It may encourage voluntary meter changes by some customers and other parties to gain earlier access to advanced meter functionality ahead of a broader rollout. It relies on the retail cost of such meter replacement being reasonable too, given the \$64 network charge.

Lengthened Standard Service times proposed

In respect to the proposed (in a number of cases lengthened) timeframes for Western Power to deliver various services, some customers may need faster service provision in certain situations. There is a risk that the proposed timeframes become the 'typical' time taken to provide the service and customers are told they cannot obtain the service earlier.

I recommend that provision be made to allow customers to request a faster service timeframe where they need that for valid reasons, and for Western Power to use its best endeavours to provide that service earlier.

Thank you for the opportunity to comment. I would be pleased to be able to elaborate on these matters.

Yours sincerely,

Noel Schubert