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Review of Queensland Energy Legislation – Issues Paper
Energy Industry Policy – Strategic Futures
Department of Natural Resources, Mines and Energy
City East QLD 4002

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Submission on the Review of Queensland Energy Legislation - Issues Paper

Introduction

1. This is Vector Limited's (Vector) submission on the Department of Natural Resources, Mines and Energy's (DNRME) *Review of Queensland Energy Legislation – Issues Paper* (the Issues Paper), dated May 2018.
2. Vector is one of New Zealand's largest listed companies and provides energy and technology services across the country. It is the largest provider of electricity and gas distribution network services in New Zealand, and the country's leading provider of smart metering solutions. It also provides fibre optic broadband communications network services, solar PV, energy storage, home energy solutions, and electric vehicle recharging services.
3. Our metering business (Vector Advanced Metering Services – VAMS) provides a cost effective end-to-end suite of energy metering and control services to energy retailers, distributors and consumers. VAMS is an accredited Metering Provider and Metering Data Provider, and a registered Metering Coordinator, in Australia's National Electricity Market (NEM). We have started deploying smart (or advanced) meters in Queensland, New South Wales, South Australia, and the Australian Capital Territory.
4. We set out below our responses to questions in the Issues Paper that are relevant to our smart metering operations in Queensland.
5. No part of this submission is confidential. Vector's contact person for this submission is:

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Responses to selected consultation questions

Objectives of legislation

Q1.1 What objectives should guide the design and application of state-based energy legislation?

6. Vector agrees with the DNRME that the national objectives for electricity and gas should guide the design and application of state-based energy legislation. The National Electricity Objective (NEO), as stated in the National Electricity Law, is "to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with regard to: price, quality, safety and reliability and security of supply of electricity". The National Gas Objective (NGO), as stated in the National Gas Law, mirrors the NEO.

7. We agree with the DNRME that there is value in recasting the objectives of Queensland's energy legislation to recognise the complementary role it now plays in relation to the NEO and NGO. This is particularly relevant in the context of the introduction of new and innovative products and services, and the development of new business models, in Queensland's energy markets.
8. We further agree that Queensland's legislation should also support the objectives of the state government to suit the unique circumstances or requirements of the state's energy sector. The Queensland Government's objectives include "enabling stable energy prices, ensuring long-term security of supply, supporting the transition to a low-carbon energy sector, attracting investment in Queensland's energy sector, and improving value of the government".

Q1.3 What areas of overlap or duplication exist between state-based energy legislation and other laws? What are the benefits and disadvantages of these?

9. As a metering business operating across the NEM, Vector supports aligning Queensland's metering arrangements closely with the competitive metering framework for small businesses and residential consumers introduced across the NEM on 1 December 2017 under the *Power of Choice* reforms. Consistent with this approach, we also wish to see differences across jurisdictions minimised.
10. The above will reduce overlaps and the cost of doing business for parties operating across jurisdictions, which benefits consumers through reduced costs that are ultimately passed on to them. This will also reduce confusion for both businesses and consumers.
11. As a metering business that has successfully deployed smart electricity meters in the competitive New Zealand metering market, and has started deploying in the NEM (including Queensland), we believe that the consumer benefits of smart metering are best delivered through a competitive market. A dynamic, competitive market incentivises continuous innovation that provides consumers with greater choice from a wider range of improved products and services, and the ability to 'vote with their feet' if they are not satisfied with their current service provider.
12. The introduction of competitive electricity metering under the *Power of Choice* reforms sees electricity metering now installed by Licenced Electrical Contractors working for Metering Providers. The nature of metering work is creating some issues for electrical workers in the compliance of their obligations under Queensland's Electrical Safety Act 2002, Electrical Safety Regulation 2013, and Work Health and Safety Act 2011. Network businesses previously installed metering equipment, and a number of exemptions to these acts and regulations were in place to support efficient and safe work practices when installing metering equipment. We believe changes are required to Queensland's Electrical Safety Regulation 2013 to enable remote services like remote re-energisation to be provided through smart meters.
13. We encourage this review to consider the interplay of 1) the NEM Rules, 2) the National Electricity Law and National Electricity Rules, and 3) Queensland's Electrical Safety Act and Regulation, and Work Health and Safety Act.
14. In addition, we suggest that the Queensland Government consider the introduction of contestability in the state's gas metering market or segments of that market.

Licensing

Q2.1 What do you see as the key role and benefits of state-based licensing of energy businesses?

15. In Vector's view, the key role of state-based licensing is to enable the provision of energy services that may currently not be licensed under national legislation but would benefit the state's consumers. We suggest that the Queensland Government consider licensing electrical contractors to provide connection services, similar to the approach used for the Accredited Service Provider Scheme in New South Wales. These services are currently provided exclusively by Energy Queensland.

Powers of entry and resumption

Q4.1 In what circumstances should energy entities have a right to enter land or property to access their works/assets?

16. Electrical workers working on behalf of Metering Providers need to have rights of access to metering equipment. Such access rights should only be exercised after giving an energy consumer notice of the need to access equipment at their site.

Q4.2 Should rights and obligations differ between authority holders or activities?

17. The National Electricity Rules place a number of restrictions on Retailers' ability to remove supply from a consumer's premise. Given metering providers are contracted by Retailers (via the Metering Coordinator), these restrictions can limit a Metering Provider's ability to isolate supply at a consumer's installation in order to carry out metering works safely. Metering Providers or Metering Coordinators may need to be given rights of access and isolation to ensure metering works can be carried out in a manner that complies with Queensland's Work Health and Safety Act 2011.

Q4.3 What safeguards should apply?

18. Where Metering Providers or Metering Coordinators are given rights of entry or to isolate a premise, the same consumer protections that apply to network businesses in these circumstances should apply to Metering Providers

Technical requirements

Q7.1 What key technical issues and risks should state-based energy legislation address?

Q7.2 What opportunities exist to improve the effectiveness and efficiency of technical provisions?

19. Vector believes the issue of providing remote re-energisation services via smart meters needs to be addressed. The current Queensland Electrical Safety Regulation requires a distributor to perform a safety inspection prior to re-energisation. In our view, this erodes the benefits of smart metering from remote re-energisation.
20. More broadly, Queensland's regulators can improve the effectiveness and efficiency of the rollout of smart meters by facilitating, or removing barriers to, the timely installation of new and replacement smart meters. The deployment of smart meters can be facilitated through the introduction of measures that:
 - ensure electricity distributors in Queensland support new connections, and alterations and additions, in a manner that treats all Metering Providers equally;
 - remove legislative barriers to Retailers utilising safe remote disconnection and reconnection services via smart meters as soon as possible; and

- allow a customer to waive the requirement for a planned interruption notification from that customer's Retailer in the installation of a new or replacement meter.

Customer protections

Q9.2 What opportunities exist to improve the effectiveness and efficiency of customer protections?

21. The "Customer protections" section of the Issues Paper states that "privacy is a concern if energy data is misused e.g. for purposes other than for which it was collected or without appropriate consent". Vector believes that consumer protections under 1) existing privacy legislation, 2) the National Energy Customer Framework, and 3) future consumer protections under the Consumer Data Right¹ that the federal Government intends to introduce initially in the energy sector (and banking and telecommunications sectors) would generally provide sufficient protection for energy consumers in Queensland.
22. We encourage the DNRME to consider any future state proposals around privacy in the context of the Coalition of Australian Governments (COAG) - Energy Council's work on facilitating access to consumer energy data, and the Energy Security Board's development of a *Data Strategy* for the NEM. This will ensure overlaps and gaps between federal and state legislation on privacy are avoided, improving the effectiveness and efficiency of protecting consumer privacy.

Concluding comments

23. Vector would be happy to discuss with DNRME officials any aspects of this submission, and share some insights from our deployment of smart meters in the competitive New Zealand and NEM metering markets.
24. We are particularly interested in ensuring that the outcome of this review will enhance the appropriateness, effectiveness, and efficiency of Queensland's legislation and regulations on smart metering services.

Yours sincerely
For and on behalf of Vector Limited



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¹ <https://treasury.gov.au/consumer-data-right/>