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Retailers, distributors push back on EA metering regulations

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The Electricity Authority's proposal to secure consumers' access to smart meter data faces opposition with several companies saying the regulator is trying to fix a problem that doesn't exist.

The proposed regulations for advanced metering infrastructure would allow consumers to nominate whether the retailer or the distributor appoints the metering equipment provider. They would also give consumers the right to free access to metering data for the purpose of bill verification.

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[1]

"These proposals address concerns that parties controlling advanced metering infrastructure data have incentives to inefficiently impede competitor access to this data," the authority said in a May [consultation paper](#) [2].

Twenty-nine submissions were received on the document, with many retailers and lines companies opposing the plan. Several companies, which already own advanced meters, argue that the rollout of the new technology is proceeding well without the proposed controls.

Problem doesn't exist - Genesis, Contact

Genesis Energy has rolled out more than 170,000 smart meters to-date, and through metering services provider, Vector-owned AMS, is installing a further 10,000 new meters each month. Chief executive Albert Brantley says there is no monopoly infrastructure access problem to solve, "because there is no monopoly metering infrastructure."

"We are concerned that the authority's proposals are designed to solve a problem that doesn't exist," Brantley says in the company's submission to the regulator. "In doing so, the proposals threaten to upset competitive processes that are already delivering outcomes consistent with the authority's statutory objective."

Genesis says its past attempts to interest distributors in accessing data has not yet led to meaningful negotiations but it has recently "refreshed" its efforts and offered trial data to lines companies. Regulatory intervention at this stage would disrupt the "certainty needed to support successful long-term investment," Brantley says.

Contact Energy is involved in a tender for a "large" smart meter installation contract, chief executive Dennis Barnes said in late May. Contact's submission says the recommendations would introduce "significant cost and complexity" into the metering services market for "no apparent benefit". Further, it says that evidence from the Commerce Commission, High Court and the authority's predecessor, the Electricity Commission, supports the view that the

metering services market is "workably competitive".

Regulations could damage metering market - Vector

Vector owns more than 800,000 meters including, as at the end of March, more than 212,000 smart units rolled out by its AMS unit. It says it is in a unique position as it is the only distribution company that has successfully contracted with retailers to roll out smart meters on a national basis. Further, Mighty River Power-owned Metrix, rather than AMS, is the main metering provider on the Vector network.

"Vector considers that the proposals in the authority's consultation paper would, if implemented, severely damage the efficient operation of the New Zealand metering market. We are concerned that the proposals will impede innovation and investment in advanced metering technology and obstruct smart meter rollouts in order to solve a problem that does not exist," the company's submission says.

The mass market rollout is proceeding well, Vector says, and "there are no competition or access concerns that create grounds for regulation."

"As the market has not settled on technology outcomes, regulatory intervention that effectively locks-in meter requirements permanently risks creating substantial inefficiencies," it says.

SmartCo warns of 'piecemeal' rollout

SmartCo is a consortium of fourteen lines companies collectively buying up to 750,000 smart meters from Landis+Gyr. Its main concern with the authority's consultation paper is that it "perpetuates a view which focuses on individual customers and their individual ICPs and meters." It says the issue needs to be considered on a "whole of network basis".

"The authority seems to have given little or no weight to the fact that from a distributor point of view, smart meters will be significantly less useful if they are introduced piecemeal at some premises but not at others, at differing times, using different systems, and providing differing functionality."

It says that the proposals, as drafted, may not deliver the full potential benefits of advanced metering. SmartCo also makes the point that retailers' positions vary widely. Some are rolling out smart meters, others don't have a firm stance, while one company is committed to manual meter reading for the foreseeable future.

Wright cautious of metering muddle

Meanwhile, Parliamentary Commissioner for the Environment Jan Wright has re-entered the debate over smart meters. Wright has been asked by parliament's commerce select committee to update her 2009 paper *Smart Electricity Meters: How households and the environment can benefit*.

In a submission to the authority, which will form part of her select committee update, Wright says the country is heading for an infrastructure "muddle" with meters of differing capabilities, including some without home area network functions.

Following the SmartCo meter rollout about half the country's households will have HAN-functional smart meters installed by lines companies, with the balance likely to have new meters without HAN-functionality installed by retailers, Wright says. "The lines companies reliant on the meters installed by retailers will not be able to gain the benefits of improved load management. Nor will the consumers in these cases be able to monitor and reduce their

demand if they wish."

"The result will be a muddle - half the country with truly smart meters - the other half with a variety of different meters, with inferior functionality and different data systems. The costs of this muddle will ultimately be borne by lines companies, consumers and the environment due to the lost opportunities to better manage demand.

New Zealand needs strong guidance through regulation and standardisation to avoid confusion in this area, Wrights says.

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[1] [http://www.energynews.co.nz/files/\[type\]/\[yyyy\]/\[mm\]/smart_meter.jpeg](http://www.energynews.co.nz/files/[type]/[yyyy]/[mm]/smart_meter.jpeg)

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