

Our Ref: 3058252

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27 August 2025

Head of Regulatory Policy and Compliance CitiPower, Powercor and United Energy Email:

Dear

Approval of Legacy Meter Replacement Plans – CitiPower Pty Limited, Powercor Australia Ltd and United Energy Distribution Pty Ltd

On 30 June 2025, the AER received CitiPower Pty Limited, Powercor Australia Ltd and United Energy Distribution Pty Ltd (together, CPU)) Legacy Meter Replacement Plans (LMRPs) under clause 11.177.2(a) of the National Electricity Rules (Electricity Rules).

The final rules for the *Accelerating smart meter deployment* rule change established a new LMRP mechanism,¹ which aims to facilitate industry collaboration to deliver smart meters to all National Electricity Market customers by 30 November 2030.

This letter is to notify you that the AER has reviewed the CPU's LMRPs and is satisfied that the LMRPs comply with the LMRP Requirements set out in clauses 11.177.2 and 11.177.3 of the Electricity Rules. We have approved CPU's LMRPs under clause 11.177.4(c) of the Electricity Rules. We will publish public versions of the approved LMRPs on the AER website as required by this clause.

Next steps

Under clause 11.177.4(d) of the Electricity Rules CPU must:

- as soon as reasonably practicable and in any event within 20 business days:
 - o notify Affected Retailers and Metering Coordinators (MCs)
 - provide Affected Retailers and MCs a schedule specifying the Legacy Meters and corresponding National Metering Identifiers (NMIs) to be replaced in each Interim Period under the LMRPs
- no later than 27 November 2025, record relevant details of the LMRPs in accordance with the Markets Settlement and Transfer Solution Procedures.

From our review of the submitted LMRPs, we have prepared guidance on several key matters relating to the implementation of LMRPs (see Attachment A to this letter). In particular, we acknowledge CPU's commitment to assessing the remaining Legacy Meters to ensure that their replacement can be conducted in a timely, cost-effective and safe manner.

AEMC, Accelerating smart meter deployment rule change, completed on 28 November 2024.

The AER understands that unforeseen issues may emerge as part of the accelerated smart meter deployment, and we encourage you to engage with us and the Victorian Department of Energy, the Environment and Climate Action (DEECA) as soon as possible should you have any queries.

The AER will be prioritising activities to ensure consumers are protected through the accelerated smart meter rollout as detailed in our <u>Compliance and Enforcement Priorities for 2025-26</u>. It is important that all participants fully understand and comply with their responsibilities so the switch from Legacy Meters is timely, cost-effective, fair and safe.

If you would like to discuss this letter or guidance, please contact or at .

Yours sincerely

Justin Oliver
Deputy Chair
Australian Energy Regulator

Attachment A – Guidance²

Safety installation of meters

The LMRP Objective is to replace all Legacy Meters in a timely, cost effective, fair and safe way during the LMRP Period. While the AER encourages the implementation of each LMRP in a manner consistent with the LMRP Objective, we recognise that, despite the best endeavours of Affected Retailers and MCs, the replacement of all Legacy Meters by 1 December 2030 may not be possible.

Given the LMRP Objective, a key focus for the AER is that the replacement of Legacy Meters is done in a safe manner. The safety of workers and customers should always be the highest priority.

We acknowledge CPU's commitment to the safe installation of smart meters detailed in the LMRPs. It is our expectation that CPU uses the experienced gained as part of the Victorian Government mandated rollout of advanced metering infrastructure to ensure that staff replacing Legacy Meters are provided training for working on or near metering installations such safe entry into a customer's property.

Various factors that may contribute to the presence of hazards include dogs, customer installation configurations, presence of asbestos and access restrictions (such as location and terrain). We encourage Victorian DNSPs to record the access or safety issues at the premises preventing the meter replacement. In addition, Victorian DNSPs should together with Affected Retailers, establish protocols to share this information to enable Affected Retailers to meet the reporting obligations set out in the Electricity Rules.

The AER encourages the industry to coordinate its actions and to regularly share learnings and best practice approaches to ensure the safety of the community and people working near electrical assets.

Life support customers

We remind Victorian DNSPs of the requirement to comply with all obligations in the <u>Electricity Distribution Code of Practice for Victoria</u>, including obligations related to interruption of supply and life support equipment.

The AER expects DNSPs to maintain compliance with life support obligations in the <u>Electricity Distribution Code of Practice for Victoria</u>. These obligations are critical to ensuring the safety and wellbeing of customers who depend on life support equipment.

It is crucial that DNSPs have robust internal policies, systems and processes in place to comply with the life support obligations and that customers who are registered for life support equipment receive the required protections. We remind DNSPs that life support equipment registration and deregistration details must be maintained, and that planned interruption notification are provided as required under the relevant framework.

Customer communication and ongoing engagement

With respect to replacing Legacy Meters in Victoria, DNSPs have noted in the LMRPs they will be responsible for end-to-end communication with relevant customers. It is the AER's expectation that DNSPs follow the advice provided by DEECA regarding the number of

This Guidance is not binding and serves only as an informative tool. Definitive interpretation of the relevant legislation is reserved for the Courts.

attempts to upgrade Legacy Meters (i.e. pursuing previously resistant customers would not be timely nor cost effective and may create safety issues for those involved). As there is a relatively small number of Legacy Meters remaining in the state, this approach is consistent with the LMRP Objective of replacing all Legacy Meters in a timely, cost-effective, fair and safe manner. We encourage Victorian DNSPs to continue engagement with DEECA with respect to implementing its LMRP.

We acknowledge the engagement DNSPs undertook when consulting on LMRPs. We expect that DNSPs maintain ongoing engagement with Affected Retailers and other relevant stakeholders about any implementation challenges throughout the LMRP Period (1 December 2025 to 30 November 2030).

Defect at metering installation

A customer cannot be compelled to remediate their defect at a metering installation. Defect at a metering installation refers to meter board defects that prevent a meter installation. For example, this may include an inability to operate the supply isolation, insufficient space on the meter board, poor or damaged wiring, or asbestos in the meter board. This does not include access issues or customer refusals of a smart meter.

We remind Victorian DNSP that the accelerating smart meter deployment rule change establishes a new tracking process for defects at metering installations. MCs are required to record the defects at metering installations in Market Settlement and Transfer Solutions (MSATS), including the nature of defect, to minimise future wasted site visits. As Victorian DNSPs undertake the role of MC's in Victoria we expect Victorian DNSPs to meet these obligations set out in the Markets Settlement and Transfer Solution Procedures. Maintaining MSATS with defect information will also enable Affected Retailers to meet the reporting obligations set out in the Electricity Rules.

Amending a LMRP

Under the Electricity Rules, an Affected Retailer may apply to a DNSP to amend a published LMRP if the LMRP is affected by a Material Error or Material Change Event.³

The AER considers that it is most likely to occur in the event of a natural disaster (such as widespread floods or other severe weather events) or as part of protracted unforeseeable constraints that affect the supply or physical installation of meters. The AER therefore expects that amendments of LMRPs will occur in limited circumstances.

Before progressing an amendment of an approved LMRP, it is expected that the Affected Retailer or DNSP have early engagement with the AER to discuss the reasons for the amendment so that the AER may provide feedback on the proposal.

The AER's assessment of an amendment proposal to LMRP will involve the same criteria as approving initial LMRPs, namely an assessment of whether the amended LMRP aligns with the LMRP Requirements.⁴

³ Electricity Rules, clause 11.177.5(a).

Which means the requirements for a LMRP set out in the Electricity Rules, clauses 11.177.2 and 11.177.3.