



Submission on Framework and Approach Paper

Ausgrid, Endeavour Energy and Essential Energy - Regulatory control period commencing 1 July 2014

17 August 2012

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Better Place comment on Section 2.4.5 - Metering services (types 5, 6 and 7)

AER's preliminary position

The AER's preliminary position is that it is clearly more appropriate to classify types 5 to 7 metering services as alternative control services. This is supported by the AER's analysis above.

On this basis, the AER considers that:

- metering services for all type 5, 6 and 7 meters should be classified as direct control services and in turn, as alternative control services
- all other metering services should be unclassified and therefore unregulated by the AER.

We strongly support the AER's position on this issue.

The bundling of metering services charges into network tariffs for small customer sites in NSW has a chilling effect on the development of the metering services market. Right now, customers or energy services providers seeking to procure innovative metering services from alternative providers than the distributor, are forced to pay for metering twice: Once in their network tariff and a second time to the alternative metering provider.

This creates a major barrier to competition in metering services and in those energy services markets which are enabled by metering services. For example, Better Place offers electric car drivers packages of charging services which can include the electricity used in charging their car. An upgrade to the metering configuration at the drivers' home or workplace is necessary to enable separation of the car charging load from the rest of the consumption at the premises for billing purposes. However, NSW distributors do not offer this metering upgrade and so an alternative accredited metering provider must be engaged to replace the metering at the drivers' home or workplace.

This new metering provider must be paid for their metering services. In addition, because cost-recovery for metering services is bundled into NUOS charges levied by distributors, the distributor must also be paid for metering services which, in these circumstances, it is not actually providing at the customer's site.

So, unbundling metering services charges from NUOS at small customer sites in NSW is a critical priority. This step will encourage innovation in metering services and stimulate competition in other energy services – like electric car charging – which rely on metering technology.

Previous public submissions from Better Place have provided greater detail on our company's position on this issue. One such example is the February 2012 Better Place submission to the Australian Energy Market Commission's Electric Vehicles Review *Issues Paper* which can be downloaded here:

<http://www.aemc.gov.au/Media/docs/Better-Place---120223-edb3a1bb-0ac4-4521-b4f3-e7f20126b976-0.pdf>

Appendix - Profile of Better Place

Better Place is the world's leading electric car charge network company and has raised over US\$750M in equity financing in the last 3 years from investors including HSBC, GE, Morgan Stanley and UBS AG. The company works with all parts of the transportation ecosystem, including automakers, battery suppliers, energy companies, and the public sector and therefore has a detailed and up-to-date knowledge of global developments in this rapidly moving space.

To accelerate the mass adoption of electric cars, Better Place is building an intelligent network of plug-in charge spots at private homes, corporate and public car parks, which will provide most of the energy required. For extended range we will also deploy battery switch stations that allow the driver to swap their depleted battery for a full one in under five minutes and, where applicable, high-voltage quick charge outlets.

Better Place was founded in 2007. In 2008, Israel became the first country – and Renault the first car maker – to embrace the Better Place model of building open network infrastructure to enable mass adoption of electric vehicles and delivering transportation as a sustainable service. Denmark, Australia, California, Hawaii and Ontario have followed suit. Better Place recently announced its intention to expand the network from Denmark through Western Europe, and into China. Over 500 staff in eight countries are now employed by the Better Place group of companies.

For more information visit www.betterplace.com.au