Appendix A Submission form

Improving Consumer Access and Choice

Submitter	Nova Energy Limited

Questions	**Comments**
Metering capability and access to services	
Q9. Do you agree that legacy and non-communicating smart meters may be limiting some consumers' access to electricity services, retail plans or retail competition? Please explain why or why not.	Nova has spent ~5years on an electricity smart meter deployment project. The objective of this project has been to upgrade all of its electricity meters to the latest smart meter technology, with legacy and non-communicating meters being its top priority. Nova still has around ~3,000 legacy meters that it has not been able to replace, despite a lot of time, effort and cost.
Q10. What are the most prevalent barriers to upgrading legacy meters or restoring communication capability to non-communicating smart meters?	The main reasons are: • customer refusals, • not being able to gain access to the property, and • technical and health and safety reasons. Nova concurs with the findings of the Concept Consulting report: 'Equitable access to electricity smart meters' commissioned by ERGANZ, as this fully aligns to Nova's experience.
Prepay electricity	
Q39. How could outcomes for consumers using prepay electricity be improved while preserving any benefits that consumers value? b. Pathways from prepay to post-pay services when more suitable.	Nova helped create the Connect Me pilot and participated in this program. Nova's view is the outcomes of this program were encouraging. The Electricity Authority should work with other government agencies on options to scale this program so consumers with poor credit history can gain access to post-pay electricity with the appropriate levels of wrap around support to ensure this works long-term for consumers and retailers.

c. Encouraging greater innovation and product diversity within the prepaid markets.	The complexity of a prepay electricity business model and the high cost-to-serve of this customer group means that a simplified offering is required to make the business sustainable. Nova’s prepay business is sub-scale (~5,000 customers). It operates an in-house custom built service platform that has been developed and optimised over a decade. Any requirement to innovate and add options like TOU pricing plans would add significant complexity and cost and take considerable time and effort to implement. (i.e. it took Nova ~2 years to launch TOU pricing offers and required a new billing system at considerable upfront and on-going cost to operate). Adding additional innovation requirements onto prepay retailers would add significant cost and complexity and may result in their prepay businesses models becoming unsustainable.
d. Improving protections for medically dependent consumers	As a prepay retailer Wise Prepay doesn’t accept new customers where an MDC is known to reside at the property. It does have a small number of MDCs, however these are the result of existing customers developing medical dependencies at a date after joining Wise Prepay. Nova’s pre-pay and post-pay MDC customers are managed in the same way that protects them from disconnection for non-payment.
Q41. Are current incentives for retailers to install communicating smart meters appropriate, and are particular regions, consumer groups or housing situations disproportionately affected by current metering arrangements?	Under current market arrangements Retailers have no viable way of enforcing the installation of communicating smart meters or recovering costs created by complex technical or safety issues associated with some installations, for instance, where a metering board needs full replacement.