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HANSARD

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STATUTES AMENDMENT (SMART METERS) BILL

Mr PEDERICK (Hammond) (11:50): I rise to speak to the Statutes Amendment (Smart Meters) Bill 2013, and commend the speech by the member for Waite. I also commend his contribution and his work in developing our policy on smart meters and their benefits for the South Australian public if people choose to take them up. I note that this bill was introduced by the minister on 11 September this year (2013).

South Australia is the lead legislator with regard to national energy retail law and national electricity law, and so the government introduced this bill as part of a key standing council on energy and resources market reform initiative. The bill represents the initial legislative stage for the eventual widespread introduction of smart meters and related technology.

I note what the member for Waite was saying about how electricity is measured in this state; we use what is called 'accumulation meters', and retailers with these meters can only manage to monitor overall usage onsite at quarterly intervals. This old technology requires inspectors to visit properties to read meters and gives little visibility of usage, and these meters cannot be used to manage demand. It is noted that the cost of this old technology is around \$50 per user.

I note there are a lot of issues with some meters being read by meter readers. Generally, in the main, it can work very well, but sometimes there are occasions where estimated readings have to take place. For instance, if people do not have access to a meter for whatever reason (it could be behind a locked gate or around the back of the house and there is no access, and there are a couple of German shepherds in the way) the meter reader makes a recommendation for an estimated reading.

I can say from personal experience that estimated readings can be a fair way out. In the last 12 months or so we made the decision to go down the solar panel path at home on the farm, and put in a five-kilowatt system. We are on the single-wire return (the SWIR line), so that was the maximum that we could put in. The power provider made an estimated reading of our power bill and it was quite substantial. I thought, 'Well, we've got a good way to get around this,' because we had the actual meter reading from when the new input-output meter was put in by the company that put on the solar panels, and so we could easily contest their claim of a bill that was many, many hundreds of dollars out of range of where it should have been.

This has occurred at times when the people have had access, but I note that because there is a work order put in when something like solar panels goes on, as I indicated from my personal experience on the farm at Coomandook, instantly there is a reading taken. I was a bit stunned that there was an estimated reading, because the meter is quite accessible (it is probably 150 metres away from the house on a pine post), but that is what happened at the time.

Thankfully, we managed to deal with this, but certainly, with the high price of electricity in this state, you do have to be careful. I know many people and many businesses in my area can have bills well above \$700 and up to \$1,000 a quarter, and some are much higher than that. You do not have to be a very big operation to have bills of that size.

One thing that these smart meters will let happen is to make monthly billing accessible for consumers if they choose to take up the smart meter technology, so consumers will not have that bill shock. We have seen in this state over time more than a 250 per cent increase in water prices. We have seen a massive increase in power prices. We have seen different rates and taxes go up incredibly under this state Labor government and people are sick of it, quite frankly. It is a huge bill shock when some of these bills come in altogether, especially if they are quarterly bills that come in either at the same time or at a very similar time.

With regard to how these smart meters actually work, they digitally monitor the usage at 30-minute intervals, giving that real-time data in the use of the electricity. It will let the consumer, using real-time data, work out the true nature of their demands and when is the best time to use their appliances and some of their equipment, whether it is washing machines, dishwashers or other equipment that is not so time sensitive that they can be used at times when they can enjoy a lower electricity price. We note that a smart meter with the monitoring technology will probably cost somewhere in the range of \$150 to \$200 a unit, and note that it will be part of a competitive framework where power suppliers will have to use it as part of their sell to consumers and incorporate the price in a package so that people can decide whether they take up the smart meter technology or not.

In recent weeks, I have had some correspondence from one of my constituents at Goolwa who was a bit concerned about smart meters. He was concerned that they are quite possibly bad for your health and can lead to increased bills, but as we have heard here today there is not really a health issue with regard to the emissions from a smart meter. It is a regular but very brief signal and, as we heard from the member for Waite, it uses very similar technology to mobile phones for roughly 1.4 seconds per day at a very low wattage.

The World Health Organisation, in fact, has found that, 'considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence that the weak RF signals from base stations and wireless networks cause adverse health effects.' Certainly, from what we have heard and from what we understand, I would be very surprised if bills went up with the use of smart meters because people can monitor their use and use their appliances and equipment at times that suit them and to help sort out how their power usage works in their home and in their business. I gave the obvious response to this constituent, but he was being very firm saying, 'I, for one, do not want one and I want the choice to say no.'

On this side of the house we are certainly giving that choice and I think, from what I see, the bill gives that choice as well and I think that is a good idea because we are the party of choice on this side of the house and people can decide whether they want to install this technology so they can have the benefits of remote reading and they can have accurate readings done with these smart meters. If constituents like this person from Goolwa who said, 'Well, look, I have already put solar panels on. I am getting lower power costs. I am quite happy with where I am', then that is their democratic right if they do not think they want to go through with the installation of the technology.

It is always an issue with power demand, and especially in South Australia where we have a very high peaking power load. It has been an issue for many years, especially in summer. Obviously reverse cycle heating in the winter when it is cool is an issue. In summer there can be some very peaky demand slots in South Australia. We have had the weird situation in South Australia over time where different areas of the state, different suburbs in the city, etc. have had to be switched off at intervals because the peaking supply could not be guaranteed to keep everyone's air conditioners going.

I think about the way electricity was rolled out through the state. It came through urban areas a lot earlier than it got down to us at Coomandook. I think it came through our area in about 1966 and it was not that long ago. It has been a boon to have access to that generated power. It has been a real problem with this peaking power and I would like to think that, with the massive take-up of solar panel technology throughout the state, we do not have to go down that path of having to shut off different areas of the state at certain times when there is very peaky electricity demand.

Solar panels do not work at 100 per cent efficiency when it is very hot but they run reasonably efficiently on a hot day. They get overheated and cannot generate the full amount that they are rated at but with the amount that is in use in South Australia now, there would be quite a massive amount of

energy that obviously does come online and go through the input/output meters at people's houses or industrial installations of solar panels.

It is interesting now that you have regulators talking about—and it was only in the media last week I think—how we have all these solar panels in place and they are a bit concerned that we do not have to send all this power down the line. Well, I guess you can't have it both ways. Obviously electricity is still going down the lines and I think we need the solar panels that we have implemented, whether it was with the initial scheme which I think was the 44¢ per kilowatt hour scheme or the 26¢ scheme which is the scheme at the minute which wound up in September but is still applicable for another two years, and that takes in about 9.8¢ of government rebate. It is a real boon for taking some of the sting out of the price of power. We have a range of technologies so that power is distributed throughout the state.

In regard to the rollout it is interesting that we are going to a system here in this state where it can be individual choice. The Victorian government since 2006 commenced the mandated rollout and I think there were a few issues with that. The program was rushed and it caused some market and pricing distortions. At the moment we understand that there is about 90 per cent of Victorian electricity consumers who are monitored by smart meters. In Victoria they have had time sensitive pricing which will see significant long-term savings being made in Victoria and I am hopeful that with the introduction of this bill, if it comes to an act, that we will see those benefits of time sensitive pricing come through to South Australia.

I note in the bill that initial rule changes will need to be made in implementing this system but then the minister will have no power to make further rules under the bill and rules can only be made on the recommendation of the Standing Council on Energy and Resources. As I indicated earlier the bill does not give the power to the minister to issue a mandate on a broad scale smart meter rollout, and the implementation of the smart meters should be market driven and competitive.

In regard to consumer protections for smart meters, some of these involve full tariff structure disclosure within billing rules and content; direct load control or supply capacity control measures, which can be implemented by retailers, will require full consumer disclosure and consent to be included as part of a connection contract and management and restoration of power in case of an emergency; and standing offers to smart meter consumers may include prescribed tariff structures by the jurisdiction or regulators.

As I indicated earlier, important issues that have come up since the consultation and review took place in 2007 are that the rollout of smart meters must be market-based and competitive; consumer protections should be harmonised and simple; consumers must have the option between a flat tariff and flexible pricing; tools and resources will be required to make use of smart meter data; and independent price comparators must be available.

I acknowledge that, if this bill goes through and becomes an act in the very near future, this would be a great way forward for people in this state who want to take up the option of smart meters. Certainly, one of the reasons I decided to put solar on my house was that the price of power has been getting ridiculously high.

Mr Venning interjecting:

Mr PEDERICK: I won't respond to the interjections from my colleagues, Mr Deputy Speaker. The price of power is a significant input cost in running the family home and all the costs involved in that. We know that many people now have a double income, and people are flat out paying their bills. Also, power cost for people running businesses can be huge. For major businesses, their power bills would be in the hundreds of thousands of dollars per quarter, and that is something else that has to be passed down the line to the consumers of products or goods those businesses supply to the public. So, anything that can reduce input costs, such as the introduction of smart meters, would be a great thing for the state.

The thing I do like about this is that it is not mandated that these smart meters be installed. As my constituent at Goolwa has indicated to me, he wants the right not to have it—and he has stated that

very firmly in his correspondence to me and my office—and that is great. He is happy to get a reduced power price by installing solar panels; he has already made that contribution.

Another interesting line is that there is always talk about people who do not have solar paying for the people with solar getting cheaper power. What is forgotten many times in that debate is that people do have to put in the funding in the initial stages, and with the 44¢ rebate that came in initially it could have been \$20,000 for a five kilowatt system and obviously more for a bigger system.

So, there have been big expenditures made by people installing solar power, but I do understand the argument, to a degree, that people without solar are helping pay for it. I must say that it should, in my mind, remove the need to switch off either areas of the city or the country when we do have that peaking power demand South Australia is so famous for. With those few remarks, I commend the bill to the house and also show my support for it.

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