7 November 2019

Mr John Pierce
Chairman
Australian Energy Market Commission
Level 6, 201 Elizabeth Street,
Sydney NSW 2000.

Submitted online: www.aemc.gov.au/contact-us/lodge-submission

Reference: RRC0031

**AEMC Draft Rule Determination: Reducing Customers' Switching Times**

Thank you for the opportunity to provide a submission in response to the Australian Energy Market Commission's (AEMC) Draft Rule Determination covering the National Electricity Amendment (Reducing Customers' Switching Times) Rule (NER) and the National Energy Retail Amendment (Reducing Customers' Switching Times) Rule (NERR).

Momentum Energy is a 100% Australian-owned and operated energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland and the ACT. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest producer of renewable energy.

**Overview – Rule Change**

We reiterate our support for the intent of this rule change to reduce customer switching times and to eradicate "saves" programs which have largely resulted due specific market notifications and timings associated with the existing customer transfer process. While the AEMC has proposed a more preferable rule, in this determination, it has largely made minimal changes to the existing rules which will likely accommodate the high level design presented by AEMO in this rule change application.

Momentum is somewhat concerned that the full impact of the proposed procedure changes will be controlled by AEMO that appears to be given a mandate to deliver a post cooling off period two day transfer solution, regardless of the consequences to industry. For example we believe that the use of any actual read that is recently available or shortly available is a far more preferred transfer read than an estimated read that may deliver a detrimental outcome for either customer involved in the transfer transaction.
While we understand that AEMO must comply with the National Electricity Objective in any procedure changes, this is not definitive, and the outcomes for this important market change will be somewhat out of our control.

**Draft Determination - More Preferable Rule**

Most of the AEMC's proposed more preferable rule is supported by Momentum however we have a concern with the proposal to delete clause 7.8.9(e)(1) of the NER which covers the Metering Coordinator, Metering Provider or Metering Data Provider appointments for the incoming retailer. It is our understanding that this process is largely automated by many retailers minimising any transfer delays. Currently only a very small percentage (around 0.1%) of transfers are impacted by this functionality. This functionality will become more important as competitive metering installations increase across NSW, SA and QLD and any change to this process would be better managed during the review of the Power of Choice provisions scheduled for December 2020. We do not believe there is any need to delete this cause to achieve the objective of reducing customer transfer times.

**Overcharging and Undercharging Rules**

As mentioned in our response to the initial consultation on this rule change we did not support AEMO's proposal that the losing retailer would not be entitled to re-bill a customer following an estimated transfer read if it was identified by the losing retailer that the customer was undercharged. The AEMC has supported our position on this and chosen not to make this rule change as it would have created additional financial risk to retailers. It is difficult to comprehend as to why AEMO did not make a similar assessment prior to proposing this change. This highlights our ongoing concerns with the procedure changes proposed by AEMO to deliver reduced customer switching times. Will industry costs be adequately considered?

**Cooling off Periods**

We note the AEMC has chosen to ignore our suggestion to review the cooling off periods for small customer contracts to support a reduced switching time. Rather, they have reinforced AEMO's high level design proposal to deliver functionality that will allow the customer transfer to be reversed if a customer exercises it's cooling off right. Momentum suggests that this can result in a very poor customer experience especially when customers receive bills for short periods from two different retailers.

The AEMC correctly identifies that the 10 day cooling off period was establishing under the NERR primarily to protect customers during unsolicited sales activities. This sales channel is now limited in its use and there is no reason why the cooling off period should not be reviewed especially if it will support a reduced switching time and improve the customer transfer experience.

Should you require any further information with regard to these issues, please don't hesitate to contact me on 0478 401 097 or email randall.brown@momentum.com.au

Yours sincerely

[Signed]
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