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Australian Energy Market Commission
60 Castlereagh Street
Sydney NSW 2000

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Unlocking CER benefits through flexible trading

CitiPower, Powercor and United Energy welcome the opportunity to respond to the Australian Energy Market Commissions (AEMC) draft determination on unlocking consumer energy resource (CER) benefits through flexible trading. Our key concerns and recommendations are outlined below.

1. The draft rule has shifted substantially, adding material costs that must be considered

The draft determination has changed substantially with the election of the distribution network as the NMI administer for sub-meters for small and large customers. There are material cost implications for distribution networks taking on this role. The role requires distribution networks to have additional functionality across multiple IT systems including the ability to record child NMIs in our system (and map each child NMI to the parent NMI), the ability to differentiate between child NMI verse primary NMI, managing additional data streams and upgrading connection portals.

Previous analysis conducted by the AEMC noted immaterial costs will be incurred by distributors, however, this is inaccurate, and we encourage the AEMC to consider distribution network costs by engaging with industry on the impacts of the draft determination.

2. The timing of the rule change must be extended to acknowledge the complexity, the interdependency with AEMO's policies and procedures, and the broader package of reform underway

The timing of the rule change is for go-live to be February 2026. This must be revised given the significant system changes required to comply. The system changes required by distributors to support the NMI administrator role are dependent on policies and procedures to be produced by AEMO. In the absence of certainty on these policies and procedures, it will not be possible for networks to commence making the necessary system changes. It is noted a similar situation occurred with the introduction of Power of Choice that resulted in delays in implementation due to these policies and procedures being produced late given multiple rounds of revisions.

Additionally, other reforms including IDX/IDAM/PC require significant changes which industry will need to be preparing for in parallel. AEMO Forums are already recognising significant delivery risks in the NEM Reform across 2024-2026, adding this significant change will only compound this.

We strongly encourage AEMC to revise the timelines to be pragmatic and account for industry readiness. We also note AEMO's acknowledgment that the current AEMC timeframe is unachievable. We recommend a go-live date of mid-May 2028, February go lives are problematic for weather impacts on our networks, and May aligns to AEMO's typical release schedules.

3. A compliance framework must be developed to ensure dynamic operating envelope (DOE) compliance

The draft determination acknowledges our previous feedback of the need to ensure DOE compliance where there are multiple FRMPs for large customers. The AEMC proposes that this is dealt with via contracts between the network and the customer and *potentially* a contract between the customer and their FRMP. It is not appropriate for the burden of compliance to be on the customer as it is the FRMP that is likely to be incentivised to be non-compliant. The AEMC must develop a compliance framework to ensure DOEs are complied with and

there is a clear course for enforcement in the circumstance compliance is not met. We recommend secondary FRMPs require a license and are subject to use of system agreements with distributors

4. Distribution networks should remain the metering coordinator (MC) for street lighting and public furniture

We do not support the draft determination introducing metering contestability for street furniture. We recommend distributors are the MC for both street lighting and public furniture as it will be the lowest cost to customers. Street furniture are in public spaces where safety is complex, and loads are too small to support the involvement of multiple parties.

5. Implementation of the reform in Victorian must be consideration

It is unclear how or when this Rule change will apply in Victoria given Victoria is not a national energy customer framework (NECF) jurisdiction. The necessary (and essential) customer protection framework to support Victorian customers is not in place and requires further discussion with the Department of Energy, Environment and Climate Action (DEECA) and the Essential Services Commission (ESC).

Should you have any queries, please contact Ellen Lukin on 0428 824 858 or elukin@powercor.com.au.

Yours sincerely,



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