



3 October 2024

Australian Energy Market Commission
Level 15, Castlereagh Street
Sydney NSW 2000

Reference: ERC0384

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Submission on Shortening the Settlement Cycle

Bluecurrent welcomes the Australian Energy Market Commission's (AEMC) draft rule determination and draft rule on *Shortening the settlement cycle*, dated 8 August 2024.

Bluecurrent supports reforms that will reduce energy costs for consumers by lowering industry participants' costs to serve, removing barriers for new market entrants, and increasing competition.

Our initial assessment of the draft rule determination suggests that contestable metering providers delivering metering data from remotely read meters will largely be unaffected by the proposed changes to the wholesale settlement cycle. Our meters are remotely read at least once per day, and the validated meter data is sent to the Australian Energy Market Operator (AEMO) and retailers to support settlements within two business days. This timeframe is well in advance of the requirements of the settlement data delivery calendar.

We recently attended AEMO's High-Level Implementation Assessment (HLIA), which presented three options for implementing the final rule. The HLIA outlined necessary changes to market processes under the draft rule determination (pathway 1) and two alternative solutions (pathways 2 and 3).

AEMO indicated that under pathway 1, there will be changes in how AEMO and Metering Data Providers (MDPs) manage discrepancies detected during the settlement process. This includes a new portal for MDPs to engage with AEMO regarding settlement-related data.

While the HLIA did not provide sufficient details for a complete assessment of the impact on our processes related to the proposed Markets Portal for Meter Data Exception Management, AEMO has assessed the impact for MDPs as 'MEDIUM'. We expect this to likely introduce additional costs for MDP businesses.

It is important to note that pathway 1 is not AEMO's preferred solution. Pathway 3, which proposes moving the 'Final' settlement to business day 9 and introducing a 'Revision 0' settlement run on business day 20, is the preferred approach, and we support this direction.

We request the AEMC to acknowledge and consider the potential for new costs to MDPs resulting from the proposed changes to the settlement cycle under the draft rule.

We are happy to provide further information. Please contact Paul Greenwood (Industry Development Australia) at Paul.Greenwood@bluecurrent.com.au.

No part of this submission is confidential, and we welcome the AEMC publishing it in its entirety.

Yours sincerely

A handwritten signature in black ink, appearing to read "Neil Williams", with a stylized flourish at the end.

Neil Williams
Chief Executive