



INFORMATION

AUSTRALIAN ENERGY MARKET COMMISSION LEVEL 6, 201 ELIZABETH STREET SYDNEY NSW 2000
T: 02 8296 7800 E: AEMC@AEMC.GOV.AU W: WWW.AEMC.GOV.AU

Proposal for embedded networks framework

Stakeholder submissions invited on new rule change request

The Australian Energy Market Commission has started consultation on a rule change request to establish an embedded networks framework within the National Electricity Rules to give consumers within these networks access to retail market offers.

The rule change request

On 2 October 2014, the Australian Energy Market Operator (AEMO) submitted a rule change request to the Australian Energy Market Commission (AEMC) seeking to:

- clarify the regulatory arrangements in the National Electricity Rules for embedded networks; and
- provide embedded network customers with access to competitive electricity retail market offers.

Specifically, the rule change request proposes that when an embedded network owner or operator is required to gain an exemption from the Australian Energy Regulator from being registered as a network service provider, they must appoint an embedded network manager for the embedded network.

Under the proposed rule, the embedded network manager would be a new accredited service provider responsible for managing embedded network customers in the National Electricity Market (NEM). This would include:

- compliance with the processes for the transfer of customers between retailers;
- setting up and maintaining data for the embedded network within NEM systems; and
- ensuring that data on life support customers within the embedded network is maintained and communicated to market participants.

Issues for consultation

A consultation paper was released today to facilitate stakeholder comment on the issues raised by the rule change request, including:

- changes to regulatory arrangements for embedded networks that are necessary to provide customers within embedded networks with access to retail competition;
- creation of a new accredited service provider role – embedded network manager – responsible for managing embedded network customers in the NEM;
- roles, responsibilities and obligations of parties within embedded networks; and
- timeframes for implementation of the proposed rule, including coordination with other Power of Choice reforms.

Background

AEMO lodged this rule change request with the AEMC following the completion of preliminary work on the implementation and design of an embedded networks trading framework for the NEM. AEMO also considered the potential for introducing multiple trading relationships as part its work. A cost-benefit assessment on the introduction of these changes to the NEM was commissioned by AEMO. This report accompanies the rule change request.

Both of these issues emerged from the AEMC's Power of Choice review. This review set out a market-wide reform program to give electricity consumers more opportunities to understand and take control their electricity use and costs.

Consultation process

The consultation paper and AEMO's rule change request are both available from the AEMC website. Stakeholders are invited to make written submissions in response to issues raised in the consultation paper and the rule change request by **2 July 2015**.

For information contact:

AEMC Director, **Meredith Mayes** (02) 8296 7800

AEMC Advisor, **Ben Davis** (02) 8296 7800

Media: Communication Manager, **Prudence Anderson** 0404 821 935 or (02) 8296 7817

Date: 21 May 2015