

14 January 2016

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235



positive energy

Dear Mr Pierce

Draft Rule Determination: Multiple Trading Relationships Rule 2015 (ERC0181)

Energex Limited (Energex) appreciates the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on its draft rule determination in relation to the Australian Energy Market Operator's (AEMO's) multiple trading relationships rule change request.

Energex supports the AEMC's decision not to make a draft rule in relation to AEMO's rule change request and agrees with the AEMC's conclusion that implementing the proposed framework is unlikely to be in the long-term interests of electricity consumers. In particular, Energex agrees that:

- While the proposed framework may benefit a small number of customers who choose to participate in specific multiple trading relationship arrangements, it is unlikely that the rule change request would deliver cost savings or benefits to the majority of customers;
- The costs for distributors and retailers to make extensive upgrades to existing information systems and processes are likely to be significant and those costs would be passed on to all customers regardless of whether or not they chose to participate in multiple trading relationship arrangements; and
- The implementation of the proposed framework would introduce additional complexity to existing market processes and relationships, also resulting in higher costs for customers.

Further, Energex notes and supports the AEMC's view that the need for the proposed framework will be reduced by other Power of Choice reforms, such as the expanding competition in metering and related services rule change, and more innovative network and retail tariff arrangements.

Should you have any queries regarding this submission, please contact Charmain Martin, on (07) 3664 4105.

Yours sincerely

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