

14 January 2016

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged online: www.aemc.gov.au

Multiple Trading Relationships Draft Rule Determination

The Competitive Energy Association of Australia (CEA) welcomes the opportunity to make a submission to the Australian Energy Market Commission's (AEMC) Multiple Trading Relationships (MTR) Rule draft determination.

The CEA is the industry body representing 22 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. Collectively, our member organisations generate the overwhelming majority of electricity in the National Electricity Market and retail gas and electricity to over 10 million residential and business customers.

The CEA supports the AEMC's decision not to make a draft rule on MTR. As highlighted previously in both the Energy Supply Association of Australia and the Energy Retailers Association of Australia's submissions, the introduction of MTR was likely to lead to significant costs to industry in both implementing and operating with little in the way of benefits to consumers.

The proposed rule change did not promote competition on a competitively neutral basis nor does it strengthen consumer protections for the customer. Furthermore, the range of services discussed in the rule change proposal can be implemented without the need to introduce MTR.

Encouraging innovation in the retail electricity market is a worthwhile aim and should ultimately provide benefits to consumers through more competition and improved offerings. MTR may eventually form one way of providing energy services to consumers but at this stage a rule change to force it into the retail market is unnecessary.

The CEA supports the AEMC's decision to not hold the MTR rule change open for consideration of the single net meter MTR model described in the Alternative Technology Association/Consumer Utilities Advocacy Centre submission. This is appropriate given the lack of detail about the changes to the National Electricity Rules, National Energy Retail Rules, and Australian Energy Market Operator procedures that would be required to implement the single meter model.

If the single meter model is the subject of a future rule change request, the CEA urges the AEMC to use the information it has received in response to the MTR rule change request, rather than requiring industry participants to expend the considerable resources needed to address these issues again.

It is not in the interests of consumers, who ultimately bear the costs incurred by industry, that considerable resources are expended more than once on what is essentially the same issue.

Any questions about our submission should be addressed to Panos Priftakis, by email to panos.priftakis@esaa.com.au or by telephone on (03) 9205 3115.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Alex Fraser', with a horizontal line underneath.

Alex Fraser
General Manager, Retail