

10 September 2015

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



positive energy

Dear Mr Pierce

Consultation Paper: Multiple Trading Relationships Rule 2015 (ERC0181)

Energex Limited (Energex) appreciates the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on the consultation paper relating to a rule change request submitted by the Australian Energy Market Operator (AEMO) that is designed to facilitate multiple trading relationships (MTR) in the National Electricity Market (NEM).

As a Distribution Network Service Provider (DNSP), Energex appreciates that the operating environment is dynamic and that regulatory frameworks need to evolve to support new products and services, enhance customers' ability to have greater choice and control over their electricity delivery and consumption, facilitate competition in the energy services market and drive more efficient outcomes. Energex also understands that a key element in this changing environment may be to enable multiple energy providers to be engaged at a single premises where such an arrangement provides value to the customer. However, Energex does not consider that AEMO's rule change request is the most efficient or cost-effective means for enabling multiple trading relationships.

In order to support high levels of uptake by customers, any solution to facilitate multiple trading relationships will need to be fit for purpose, practical and able to be delivered at low-cost to customers. The solution proposed in the current rule change request will have relatively high upfront and ongoing costs for customers, will add additional complexity to existing market processes and will essentially involve a fundamental overhaul of established industry systems, the costs of which will be borne by all electricity consumers whether or not they choose to engage with multiple energy providers.

As the key issue challenging the viability of this rule change appears to be that costs will significantly outweigh the benefits, Energex considers that further emphasis should be placed on investigating opportunities for enabling multiple trading relationships which are more cost-effective and minimise changes to existing industry systems and processes as much as possible.

Energex is also of the view that any multiple trading relationship framework should not be prioritised for implementation until the current expanding competition in metering and related services rule change, shared market protocol and embedded networks rule change have been implemented and the market has had time to settle and mature.

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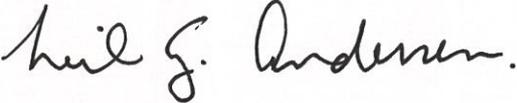
Energex Limited
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Detailed comments on the various issues raised in the AEMC's consultation paper are provided in **Attachment A**. As a member of the Energy Networks Association (ENA), Energex is also generally supportive of the views expressed in the ENA's submission on the consultation paper.

Energex appreciates the AEMC's engagement on this rule change and looks forward to further consultation on the development of appropriate regulatory arrangements for facilitating multiple trading relationships in the NEM.

Should you have any queries regarding this submission, please contact Leigh Henderson, Acting Network Regulation Manager, on (07) 3664 4118.

Yours sincerely

A handwritten signature in black ink that reads "Neil G. Andersen." The signature is written in a cursive style with a large initial 'N' and 'A'.

Neil Andersen
Group Manager Regulation and Pricing

Attachment A

Energex

**Response to Consultation Paper on
Multiple Trading Relationships
(ERC0181)**

September 2015



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Energex Limited (Energex) is a Queensland Government Owned Corporation that builds, owns, operates and maintains the electricity distribution network in the growing region of South East Queensland, including the poles and wires and underground cables used to connect houses and businesses to the electricity network. We provide distribution services to almost 1.4 million domestic and business connections, delivering electricity to a population base of around 3.2 million people.

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1 Introduction

On 30 July 2015, the Australian Energy Market Commission (AEMC) published a consultation paper on a rule change request received from the Australian Energy Market Operator (AEMO) designed to enable customers to engage in multiple trading relationships (MTR) with more than one electricity retailer at their premises.

The purpose of this submission is to provide Energex's responses to the issues raised in the AEMC's consultation paper.

2 General comments

As a Distribution Network Service Provider (DNSP), Energex appreciates that the operating environment is dynamic and that regulatory frameworks need to evolve to support new products and services, enhance customers' ability to have greater choice and control over their electricity delivery and consumption, facilitate competition in the energy services market and drive more efficient outcomes. Energex also understands that a key element in this changing environment may be to enable multiple energy providers to be engaged at a single premises where such an arrangement provides value to the customer. Energex is therefore supportive of the high level objectives of AEMO's rule change request. However, Energex does not consider that AEMO's rule change request is the most efficient or cost-effective means for enabling customers to engage with multiple energy providers.

In order to support high levels of uptake by customers, any solution to facilitate MTR will need to be fit for purpose, practical and able to be delivered at low-cost to customers. The solution proposed in the current rule change request will have relatively high upfront and ongoing costs for customers, add additional complexity to existing market processes and essentially involve a fundamental overhaul of established industry systems, the costs of which will be borne by all electricity consumers whether or not they choose to engage with multiple energy providers.

As the key issue challenging the viability of this rule change appears to be that costs are likely to outweigh the benefits, Energex is of the view that further consideration should be given to alternative, more economically efficient methods of achieving effective MTR outcomes. Specifically, Energex considers that the focus should shift away from attempting to provide a **physical** solution for implementing MTR to potentially achieving the same outcomes more cost-effectively via off-market **financial** transactions, for example:

- Inter-retailer transfers (similar to the bank settlement process for ATM transactions) using advanced metering data streams and contractual arrangements facilitated by independent, ring-fenced Metering Coordinators (MCs). In this scenario there would only be one meter, one MC and multiple data streams provided to multiple retailers. There would be no need for additional meters, separate settlement points and / or additional connection points but there may be a requirement for a principal financially responsible Market Participant (FRMP) to manage administrative matters.
- An electronic smart card system for EV charging transactions.

Solutions such as these are less likely to be prohibitively costly for individual customers to take up, support market-led deployment of smart meters and do not involve a fundamental overhaul of established industry systems and processes.

Energex is also of the view that any multiple trading relationship framework should not be prioritised for implementation until the current expanding competition in metering and related services rule change, shared market protocol and embedded networks rule change have been implemented and the market has had time to settle and mature.

3 Response to specific issues identified in consultation paper

3.1 Previous projects and changed market environment

3.1.1 *Have changes in market conditions or new information since these projects were completed affected the potential benefits and costs of MTR?*

It is unlikely that any changes in market conditions will have significantly impacted on the potential benefits to be gained by customers through enabling MTR since the previous projects were completed. However, the extent to which those benefits would be realised under the proposed MTR arrangements is unclear.

It is also unlikely that any market changes will have lessened the upfront and ongoing operating costs associated with implementing MTR arrangements either through AEMO's original high level design or this proposed rule change. As existing industry systems and processes are designed to support a single connection point associated with one metering installation, one National Metering Identifier (NMI) and one FRMP, any MTR arrangement that alters this one-to-one relationship will mean a fundamental and expensive overhaul of existing industry systems and processes. Energex considers that Jacobs SKM's estimate that it would cost DNSPs approximately \$10 million each to implement and operate the original high level MTR design remains reasonably valid for the changes that would be required to implement this rule change.

It is likely, however, that reforms yet to come into effect, such as the metering contestability rule change, may impact upon the MTR cost-benefit analysis. For example, the potential for there to be multiple MCs appointed at a single premises under the proposed rule change will further complicate MTR processes and impose additional costs on consumers.

3.1.2 *Are there additional costs and / or benefits associated with MTR that were not identified or assessed by Jacobs SKM in its analysis?*

In assessing the costs and / or benefits for individual customers and market participants associated with enabling an MTR framework, further consideration should be given to the following:

- Impacts of the expanding competition in metering rule change on proposed arrangements;
- Impacts upon tariff reform in the context of MTR, i.e. the ability for networks to send cost-reflective price signals;

-
- Issues associated with retailer-distributor credit support arrangements in a subtractive metering scheme, i.e. for components of a customer's load as opposed to the full premises; and
 - Costs associated with handling additional enquiries and / or complaints related to MTR, e.g. relating to billing errors, wrongful disconnection, life support issues, new customer change-over issues, contractual arrangements as well as general customer confusion associated with understanding complex MTR arrangements.

3.2 Assessment framework

3.2.1 *Are there any other issues that should be considered in the Commission's assessment of AEMO's rule change request?*

Effective consumer participation and engagement is essential when pursuing a reform program that will fundamentally alter the way in which electricity consumers interact within the electricity market. In Energex's view, there is significant risk in implementing a complex and costly MTR framework before substantiating the extent to which consumers would be willing to participate under the proposed arrangements. Effective engagement would therefore assist in determining whether consumers are likely to utilise MTR under those arrangements and, most importantly, how much they would be willing to pay for provision of MTR capability.

In addition, in assessing whether AEMO's proposed solution will meet the long-term objectives of the NEO and NERO, consideration should be given to what else is on the horizon in terms of evolving technology as well as related developments in other markets. Given the accelerating pace of technological change it is possible that extensive and costly system and process changes designed to implement MTR now may not be relevant in 5-10 years' time and that future new technologies may require something different.

3.3 New services facilitated by MTR

3.3.1 *Does KPMG's analysis represent a reasonable summary of the services that may be facilitated by MTR? Are there any other services that may be facilitated by MTR?*

KPMG has provided a reasonable summary of the potential services that may be facilitated by MTR. It is noted that KPMG also identified that only two of those services, i.e. charging for electric vehicles and the DG aggregator model, were dependent on MTR.

3.3.2 *Would these new services be more effectively enabled by AEMO's proposed MTR framework than under current arrangements which require a second connection to the distribution network? Would AEMO's proposed MTR framework better enable customers to capture the value associated with the demand response, as opposed to current arrangements?*

While supportive of the objectives of this rule change, Energex does not consider that AEMO's proposed method for its execution will effectively enable MTR as it is neither cost-effective to implement nor efficient to administer. In addition to having a significant impact on existing market systems, this solution would involve considerable upfront and ongoing costs for customers (particularly where multiple metering installations are required), create difficulties in allocating network charges and metering service fees, add additional complexity to market processes (including establishment of new processes for unbundling MTR arrangements when there is a change of customer or energy service provider) and impact upon the customer's ability to benefit from demand-based tariffs.

Similarly, while establishing additional connection points may be effective in situations where there is a one-to-one relationship between a single customer and the connection point, e.g. multi-occupancy arrangements, it is not a low-cost or efficient option for enabling MTR arrangements at a single premises. Not only are there relatively high upfront costs for customers in establishing multiple connection points, but:

- Separate charges would apply for all subsequent service requests associated with those connection points / additional metering installations, e.g. separate charges for de-energisation, re-energisation and metering services;
- Fixed network charges would apply to each connection point to ensure appropriate recovery of connection asset-related costs; and
- Customers would not gain the full benefits of demand-based tariffs by splitting their load.

While it is not envisioned that installing additional connection points would necessitate significant changes to participant systems, it would add to DNSPs' workloads. In particular, DNSPs' systems and processes would be required to manage increased transactions associated with billing, NMI creation, customer classification, solar feed-in tariff management, de-energisation and life support. In addition to increased volumes of transactions, the splitting of loads will also create additional workload for DNSPs due to the need to summate data at a premises level for the purposes of monitoring regulatory requirements, supplying services or allocating fees, e.g. customer classification, maximum solar generation for feed-in tariff eligibility, billing on demand and billing of fixed versus variable charges.

As a matter of note, Energex has found that not only is there currently limited interest from customers in establishing multiple connection points but that, to the contrary, large customers are tending to combine their loads to diversify their demand and take advantage of cheaper energy rates and fixed charges. Currently, requests for additional connection points are therefore generally for other reasons, such as “gaming” feed-in tariff arrangements or splitting loads to retain a small customer classification or avoid the costs of upgrading from whole current to CT metering installations.

Another potential solution for enabling MTR under current arrangements would be for customers to set up “virtual” embedded networks where the DNSP would have a singular relationship with the “parent” meter only and a single retailer. This scenario should not have any impact on the DNSP’s network, systems or processes and would also resolve issues associated with the application of network charges, customer classification, billing, de-energisation / disconnection, life support and feed-in tariffs.

However, there may still be significant upfront costs for customers in establishing embedded networks (i.e. physical wiring and additional metering installations) and additional costs for retailers to manage “parent / child” relationships and billing. There would also need to be safeguards established to prevent customers from being charged multiple times for the same energy due to a failure by market and / or retailer processes to correctly recognise the subtractive arrangements.

3.4 Efficiency benefits

3.4.1 *Does KPMG's analysis effectively describe the ability of these different energy services to capture efficiency benefits along the supply chain?*

KPMG’s analysis is reasonable. It is noted that KPMG found that only the DG aggregator service and network-led deployment of storage service provide value all along the supply chain.

3.4.2 *Do the current arrangements raise coordination and split incentive issues? If so, to what extent would AEMO's proposed MTR framework allow service providers to address such coordination and split incentive problems?*

Coordination and split incentive issues would arise in both scenarios as each party would typically be motivated by conflicting drivers, e.g. multiple retailers focussing on market prices based on different energy purchasing arrangements and the DNSP managing demand and dealing with local network constraints.

These issues will also create confusion for customers as multiple parties will be providing conflicting and opposing messages, i.e. networks will seek to encourage customers to manage their demand at a premises level at times when peaks occur in the network whereas retailers will encourage customers at the NMI level to use energy based on energy purchasing drivers. For example, retailers could potentially seek to maximise solar generation during the day and drive the customer’s load into

night time peak to maximise profits which would effectively disadvantage customers under network demand tariffs.

Energex does not believe that AEMO's proposed MTR framework would address these coordination and split incentive issues.

3.5 Impacts on customers of enabling MTR

3.5.1 *Are the costs associated with establishing a second connection point likely to deter customers, particularly small customers, from engaging with multiple FRMPs at a premises?*

Yes, because the payback is unlikely to offset the cost of establishing the connection and metering arrangements within an acceptable timeframe for small customers.

3.5.2 *Would AEMO's proposed MTR framework significantly reduce direct costs for customers who want to engage with multiple FRMPs? Could AEMO's proposed MTR framework deliver any other direct cost savings for consumers?*

AEMO's proposed solution could potentially reduce direct costs for customers by removing the need to establish multiple connection points. However, the operating costs for industry participants would increase and these costs would be passed on to customers through their electricity bills.

3.5.3 *Are the direct costs of engaging with multiple FRMPs at a premises markedly different for small and large customers under current arrangements? Would AEMO's proposed MTR framework have a more significant impact for small customers than for large customers?*

The direct costs borne by customers will generally vary depending on the extent of physical infrastructure required to support MTR. It is likely, however, that large customers would be better able to absorb the direct costs associated with engaging in MTR under the proposed arrangements due to the direct costs being a smaller percentage of their overall bill.

3.6 Impacts on AEMO and market participants of enabling MTR

3.6.1 *What costs would retailers, DNSPs and AEMO face in adapting their systems to implement AEMO's proposed MTR framework?*

Under AEMO's proposed MTR framework, DNSPs would be required to make significant adaptations to their IT systems and operating processes. To enable the proposed arrangement to operate effectively in the NEM, DNSPs would need to change their existing IT, billing and metering systems as well as systems and processes associated with distributor obligations under NECF.

Providing “a high level framework within which MTR can operate and evolve”¹ through retail market procedures rather than in the NER and NERR will not lessen the costs that would be incurred by DNSPs to facilitate MTR under this rule change proposal. In fact, less certainty will result in increased costs and Energex would prefer that the rules should specify a preferred MTR model to ensure certainty and consistency and thereby minimise costs.

3.6.2 *Could these adaptation costs be reduced through a staged implementation process?*

Not investing in system and process changes upfront while waiting for customers to begin engaging with multiple energy service providers may be a pragmatic approach and could provide greater opportunity to leverage off new technologies and developments in other markets.

However, a staged implementation process is unlikely to reduce costs and could in fact increase costs in the long-term due to potential inconsistencies in the way MTR arrangements are applied and the need to support manual processes for managing increasing demand for MTR arrangements. Further, inconsistencies in the way MTR is applied would inevitably lead to multiple changes to IT systems which would be more costly than having a single market-agreed common methodology.

Depending on the scale of changes required, system changes can have a lead time of between one to two years and maintaining complex manual processes in the interim would ultimately add to the overall costs passed on to consumers.

3.6.3 *Could these adaptation costs be reduced by implementing at the same time as any other projects? What other projects might present opportunities for joint implementation?*

Implementing the proposed MTR arrangements with other Power of Choice projects underway is not likely to significantly reduce costs as, unlike this rule change, the other reform projects do not involve fundamental changes to the single customer / connection point / meter / NMI / FRMP relationship upon which existing industry and participant systems are based.

Energex is also of the view that MTR should not be prioritised for implementation until the current metering contestability rule change, shared market protocol and embedded networks rule change have been implemented and the market has had time to settle and mature.

¹ AEMO, rule change request, p. 8.

3.7 Metering arrangements

3.7.1 *What issues could arise for Metering Coordinators as a result of MTR? What issues arise for MTR as a result of the role of Metering Coordinators?*

The role of MC could potentially add additional complexity to the proposed MTR arrangements as there is the potential for multiple MCs (and MPs and MDPs) at a single premises. However, as noted in section 2 of this submission, the MC could perhaps play a key role in managing off-market financial transactions between retailers.

3.7.2 *Should only financially responsible market participants be able to engage with customers through MTR arrangements? If not, what other parties should be allowed to engage through MTR and what benefits would this provide to consumers? What are the implications for the AER's exempt selling guidelines?*

Energex expects that DNSPs should be able to engage directly with customers with respect to embedded generation, battery storage and load control in order to effectively and efficiently manage their networks. Third party aggregators would also need to engage directly with customers and it would be advantageous if small customers were able to engage their own MC in order to drive lowest cost outcomes and efficiencies in the market as well as provide customer choice and facilitate competition.

3.7.3 *Could multi-element meters support MTR at a lower cost to consumers than other metering configurations? Are there limits or barriers to stop Metering Coordinators installing meters?*

Yes, multi-element meters could support MTR at a lower cost as there would only be one metering installation / connection rather than multiple metering installations / connections. However, having a single MC appointed by the primary retailer may create market power issues to the detriment of the secondary retailers and ultimately the customer. These market power issues would therefore need to be addressed.

3.7.4 *Can multi-element meters be supported by existing AEMO and participant IT and settlement systems? Would a requirement on AEMO and participants to support multi-element meters create costs for participants? What is the extent of these costs?*

Multi-element meters are already supported by existing AEMO and participant systems where there is a single NMI / connection point / retailer arrangement.

Multi-element meters could not be supported by existing AEMO and participant systems if there was an MTR arrangement involving different NMIs / retailers per metering element in the one metering installation. Existing systems are set up to support one NMI / retailer per metering installation. The extent of the costs of the system changes would be as per Jacob SKM's estimate based on the original high level MTR design.

As already noted in section 2 of this submission, Energex considers that MTR should be dealt with off-market via financial transactions and contractual arrangements. This would avoid the need for expensive industry system and process changes. Potentially, along with financial and contractual arrangements, individual retailers could still settle in the market if AEMO modified its settlements systems to support multiple-element meters or subtractive metering with a primary parent NMI at the premises and children sub-NMIs of the parent NMI, e.g. Parent NMI 12345678 and Child NMI 12345678C1.

3.8 Network charges and network support payments

3.8.1 *If a customer establishes a second connection point at a premises, will that customer face inefficient fixed DUOS charges? Will this issue be addressed by the new network pricing objective and pricing principles?*

Given the additional diversity of maximum demand created by splitting one load into two, the customer will always pay equal or greater demand charges. Additionally, the customer will be exposed to two fixed charges. Network charging cost reflectivity can only be restored by calculating the network bill on the summated profile.

3.8.2 *Would the allocation of capacity or demand based charges present particular challenges where multiple FRMPs are present at a premises?*

See above.

3.8.3 *Would MTR require changes to the frameworks for the billing of network charges and for credit support?*

Yes, changes would be required under any MTR arrangement.

3.9 Definition changes, market registration and market rules

3.9.1 *Are the changes proposed by AEMO to Chapters 2, 3 and 10 of the NER sufficient to enable AEMO's proposed MTR framework?*

Energex does not support AEMO's rule change and has therefore not assessed the proposed amendments to the NER. However, as noted previously, Energex considers that the rules should provide sufficient detail so as to provide clarity for market participants and consistency in application.

3.9.2 *Are AEMO's proposed substitutions of settlement point for connection point appropriate in each instance?*

See above.

3.10 Customer classification

3.10.1 Should customers be classified as large or small, residential or business, according to consumption at the level of the premises, or according to consumption at individual settlement points?

Customers should continue to be classified based on premises level consumption regardless of the method employed to enable MTR.

3.10.2 Should FRMPs have the ability to reclassify only the settlement points for which they have responsibility, or should they be able to reclassify an entire premises?

As a distribution network, Energex would prefer that the entire premises should be reclassified based on total consumption across all settlement points. Further, if retailers are permitted to reclassify an entire premises when only responsible for a component of that premises, there is the potential for there to be significant retailer contractual conflicts.

3.10.3 Would these issues be any different where a customer had established multiple trading relationships supported by a second connection point at its premises?

No, these issues would be the same regardless of the method used to facilitate MTR.

3.11 Relationship between DNSPs, customers and retailers

3.11.1 Will the current tripartite arrangements require adjustment to allow for multiple trading relationships?

Yes, implementing an MTR framework will mean that the current tripartite arrangement will need to be adjusted to reflect that customers are able to engage with multiple energy service providers at their premises.

3.11.2 Does this issue only arise under AEMO's proposed MTR framework, or also where a customer has established MTR supported by two connection points?

Energex believes this issue will arise regardless of the method used to support MTR.

3.11.3 Are there any issues related to the coordination of billing cycles between multiple FRMPs at a premises that would need to be addressed in the NERR?

Yes, there may be coordination issues as different retailer billing cycles will create complexity in market settlement, inter-retailer billing and network billing (demand calculations).

3.12 De-energisation and disconnection arrangements

3.12.1 *Should DNSPs and FRMPs be able to de-energise a settlement point if this results in the subsequent de-energisation of a "downstream" settlement point?*

DNSPs should be permitted to de-energise all settlement points, particularly when the disconnection is for safety or emergency reasons. It should also be noted that the physical location of the disconnection point will inevitably dictate the de-energisation of a downstream settlement point irrespective of the reason for disconnection.

3.12.2 *How is the metering configuration adopted by a consumer relevant to disconnection issues? Do these issues arise only where a subtractive metering configuration is adopted?*

From a DNSP's perspective, the metering configuration is irrelevant if a network is disconnecting the entire premises for safety reasons, e.g. fire, flood or storm damage, as DNSPs have legislative obligations to ensure community safety.

Energex acknowledges, however, that it may be possible for customers to have a metering scheme where disconnection at each measurement element could be undertaken by the MC with no resultant impact on other measurement elements and energy service providers.

3.12.3 *Would the prospect of disconnection of a downstream settlement point deter potential new energy service providers from entering the market? Are additional safeguard mechanisms needed to deal with third party disconnection?*

See above.

3.13 Life support equipment

3.13.1 *How should the risk of disconnection of life support equipment be managed where an MTR arrangement is in place? Are the new requirements proposed by AEMO sufficient to manage this risk?*

The potential for there to be multiple energy service providers active at a life support customer's premises will add further complexity to existing arrangements by including additional notification requirements for DNSPs and retailers.

In order to reduce costs, Energex considers that registration of life support should occur at premises level through DNSPs and the principal retailer that has overall responsibility for the customer's connection point.

3.13.2 Are the risks of disconnection of life support equipment affected by the specific metering configuration used by a consumer to enable MTR? Would the risks of disconnection of life support equipment be any different where MTR was supported by a second connection point?

Energex does not consider that there would be significant risk of disconnection of life support equipment as a result of different metering configurations as the disconnection point is generally for the entire premises.

There should also be no significant risk of disconnection of life support equipment where there is a second connection point, provided that both connection points are registered by the customer as having life support equipment.

3.14 Standing offer and deemed customer arrangements

3.14.1 If multiple retailers are active at a premises with MTR, should all of these retailers be required to make the standing offer available? If not, which retailer should have this responsibility?

No comment as this is a retailer issue.

3.14.2 Would this issue arise where MTR was supported by a second connection point?

No comment as this is a retailer issue.

3.15 Implementation

3.15.1 Are there potential synergies available from implementing any rule made in response to AEMO's rule change request in co-ordination with any rule made in response to the Demand Response Mechanism rule change? If so, to what extent?

Energex does not support AEMO's rule change and has therefore not investigated whether there are any synergies in implementing it with the Demand Response Mechanism rule change.

3.15.2 What are the potential timeframes for implementing AEMO's proposed MTR framework? Do stakeholders have any specific suggestions to transitional implementation timeframes?

Given the extensive changes that would be required to industry systems and processes, Energex estimates it would take approximately 18 months to two years to implement the MTR framework proposed by AEMO.

As indicated previously, Energex is of the view that implementation of an MTR framework should be delayed until after metering contestability, the shared market protocol and embedded networks framework have been successfully implemented and the market has had time to settle and mature.

3.15.3 *Are there any other subsequent changes to AEMO procedures or jurisdictional codes that will need to be made following any rule made in response to AEMO's rule change request?*

Energex does not support this rule change request and has therefore not undertaken a detailed assessment of any consequential jurisdictional and / or AEMO procedure changes that may be necessary. It is clear, however, that significant changes would be required to support the proposed MTR framework.

3.15.4 *What changes may be needed to the RoLR arrangements to allow for AEMO's proposed MTR framework?*

Energex has not undertaken a detailed assessment of changes that may be required to RoLR arrangements. However, it is likely that RoLR arrangements will need to be amended to deal with situations when one of multiple retailers at a premises defaults, e.g. whether responsibility for that one settlement point should transfer to the RoLR or one of the other retailers at the premises. In addition, it is also likely that DNSPs' obligations in a RoLR event would need to be reviewed if AEMO's rule change is adopted.