

26 April 2013

Steven Graham
Chief Executive
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

By email: aemc@aemc.gov.au

Dear Mr Graham,

RE: Access to NMI Standing Data Consultation Paper

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide comments on the *Access to NMI Standing Data Consultation Paper* (the Consultation Paper).

The ERAA represents the organisations providing electricity and gas to almost 10 million Australian households and businesses. Our member organisations are mostly privately owned, vary in size and operate in all areas within the national electricity market (NEM) and are the first point of contact for end use customers of both electricity and gas. It should be noted that the proponent of this rule change, EnergyAustralia, is a member of the ERAA.

The ERAA supports the rule change proposal as it will provide clarity on this issue, and allow industry and consumers to continue to benefit from the efficiencies of current practices. The ERAA will not be directly addressing the questions raised in the Consultation Paper, instead referring to the submissions of our members for more specific input.

The ERAA does not consider that the Australian Energy Regulator's (AER) interpretation of 7.7a of the National Electricity Rules (the Rules) as outlined in Compliance Bulletin No. 8 is consistent with the intent of the Rules. The ERAA supports the interpretation of its members, whereby third parties are able to access NMI standing data if they are the agent of a registered participant. The majority of ERAA members currently use agents to access NMI data. Retailers began using this approach guided by the principal that an action undertaken by an agent is deemed to have been undertaken by the principal. Access to NMI standing data allows retailers (or their agents) to provide new customers with an accurate quote, and to efficiently and effectively register and manage customers. This approach is driven by the desire for business efficiencies and related cost savings. Should these efficiencies be removed, it is likely that retailers will have to restructure their business model, resulting in increased costs to be passed on to customers.

The Consultation Paper notes the distinction between third parties accessing NMI standing data under a contract from a retailer, and third parties that energy products and services to consumers that access NMI standing data. The ERAA believes it is important to re-state that energy retailers are registered parties liable for breaches under NECF or jurisdictional consumer protection schemes, whereas third parties are not. When contracting with agents to access NMI standing data (or for any purpose), retailers assume the compliance risk and any potential liabilities through commercial agreements. This provides a strong incentive for



retailers to ensure that agents are compliant. Similarly, agents are motivated to ensure they do not cause breaches that will result in penalties for retailers, as this will have likely financial implications for the agent. It is common for retailers to formalise these arrangements in their contracts with agents. The ERAA does not believe that additional or alternative compliance or accreditation requirements would be in the long term interests of consumers, as they are likely to increase compliance costs without any material benefits.

Should you wish to discuss the details of this submission, please contact me on (02) 8241 1800 and I will be happy to facilitate such discussions with my member companies.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cameron O'Reilly', written in a cursive style.

Cameron O'Reilly
CEO
Energy Retailers Association of Australia