



Energy Action Pty Ltd
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Thursday, 19 September 2013

Mr John Pierce
The Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

By submission online

Re: Rule Determination – Access to NMI Standing Data

Dear Mr Pierce

Energy Action is one of the leading energy management companies in Australia. We provide client solutions across the broad spectrum of energy management services including energy procurement and monitoring/reporting, business case development for energy investments, project design for on-site generation, energy efficiency and emissions auditing and assistance with grant funding. With offices in Sydney, Melbourne, Perth, Brisbane, Adelaide and Newcastle we employ over eighty people and have a history of ten years experience in working with clients to service their needs within the evolving Australian energy market

A large part of our business is involved with the procurement of electricity supply contracts on behalf of our corporate clients. In 2012/13 we procured approximately 7 million MWhs on behalf of our customers. As a consequence we become heavily involved in the process of facilitating customer quotations and the subsequent transfer process. This experience has been gained independently of the established retailers. It is therefore with considerable interest that we have followed the rule determination process for access to NMI Standing Data as this is integral to both of these processes.

It is Energy Action's experience that one of the areas with the greatest potential for disruption and inefficiency is the customer transfer process. Whilst the majority of transfers are completed smoothly and within the anticipated time frame a significant number are not. The consequence of any delay in the transfer process can be highly damaging to business customers. The application of default tariffs by the incumbent retailers is not unusual where transfers are delayed and hence late. The retailers can and do impose charges on customers of more than three times the contracted rate, leaving the customers to dispute these with the incumbent retailer even though the delay has in most cases not been caused by the customers themselves.

In conjunction with conducting over 1,290 successful large market pricing Auctions, involving an annual consumption of 6.8 million MWhs, we also conducted over 3,000 Small and Medium Enterprise pricing events in 2012/13. Energy Action is commonly involved in expediting transfers on behalf of our clients and seeking to reverse the default rates stemming from late large market transfers. In December 2012/January 2013 we facilitated over 1,600 large market transfers and in June/July 2013 over 900 transfers. We note that submissions previously submitted on the rule change commonly cite the role of retailer service providers in undertaking some of the activities of the retailer. Facilitating customer transfers is one of these.



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By removing the uncertainty surrounding the rights of all retailers to access NMI Standing Data the rule change takes an important step in clarifying that data, which is essential to the quotation and transfer process, is to be available to the concerned parties. The rule change also confirms that retailers may make NMI Standing Data available to their service providers under the appropriate conditions of confidentiality. This is also welcome as it facilitates the use of service providers in an appropriate capacity.

We note further that the determination is largely silent on the matter of service providers gaining direct access to MSATS through the use of log in details provided by their sponsoring retailer. Whilst it would be preferable to have confirmation that this practice is sanctioned we take comfort from the following statements made by the Commission in the Rule Determination:

6.4.1 It is common industry practice for retailers to use authorized service providers for the delivery of electricity services to consumers. In performing these functions, the retailer's service provider is acting on behalf of the retailer under a contract to fulfill certain of the retailer's market obligations relating to the sale and supply of electricity. It is under these circumstances that the retailer's service provider requires access to NMI Standing Data to facilitate customer acquisition, transfer and billing activities.

The Commission is of the view that service providers include agents of the retailer as well as other persons that provide services to the retailer.

6.4.2 The Commission notes that the AER considered that market participants, by providing their service providers with passwords to MSATS, and thereby access to NMI Standing Data, may not be complying with their confidentiality obligations under the NER.

...the Commission considers that it would be appropriate to authorize retailers to disclose NMI Standing Data to service providers.

Energy Action supports the AEMC's Rule on Access to NMI Standing Data and we look forward to corresponding with the AEMO regarding revision of its Market Settlement and Transfer Procedures.

A handwritten signature in black ink, appearing to read 'N. Francis'.

Nathan Francis,
Acting CEO
Energy Action Pty Ltd