



23 July 2020

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Dear Mr Shannon

Thank you for the opportunity to comment on the Australian Energy Market Commission's (AEMC) Deferral of Network Charges Rule Change Directions Paper (the Directions Paper). We appreciate the AEMC extending the time for making a final determination and conducting an additional step in the consultation process.

We broadly support the AEMC's current proposal which narrows the scope of the deferral mechanism to those retailers that may have a legitimate need for support as a result of the COVID-19 pandemic. We also support the application of interest on deferred payments and the six-month timeframe for payment of deferred network charges.

We agree with the AEMC that arrangements agreed between distributors and retailers as part of the NSW relief package should be leveraged to allow for payment deferrals under the AEMC's final rule. This would avoid distributors and retailers having to redesign their processes and IT systems to accommodate the new arrangements. However, the AEMC's proposal to adopt the small customer definition from the National Energy Retail Law departs from existing arrangements in the NSW relief package.

In NSW, Victoria and South Australia, distributors set a 40MWh limit for small business eligibility in their respective relief packages. Distributors advised each retailer at the commencement of the relief package of those customers that met this 40MWh eligibility threshold. This process was necessary as retailers may not have a full year's visibility of a customer's usage.

A more streamlined implementation of the AEMC's proposed arrangements could be achieved by maintaining the 40MWh limit for small customers. Not only will this avoid the distributors in NSW and SA having to re-notify retailers of small business customer eligibility, it could also simplify implementation for retailers who would have a common eligibility threshold across the relevant jurisdictions. We encourage the AEMC to consult with retailers on this issue.

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We appreciate the AEMC's consultative approach on these issues to date. If you have any queries in respect of this submission, please contact me on (02) 9269 4367 or john.skinner@ausgrid.com.au

Regards,

A handwritten signature in blue ink, appearing to read 'John Skinner', followed by a horizontal line extending to the right.

John Skinner
Acting Head of Regulation