

## ATTACHMENT 1 STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper. Stakeholders are also encouraged to provide evidence to support claims where possible.

### SUBMITTER DETAILS

**ORGANISATION:** Essential Energy

**CONTACT NAME:** Natalie Lindsay

**EMAIL:** natalie.lindsay@essentialenergy.com.au

**PHONE:** 02 6589 8419

### CHAPTER 4 – SECTION 4.1 – TIME PERIOD FOR DELAY

Question 1 – Time period for delay	
a) If a delay to the start date of 5MS is necessary, is a 12-month delay appropriate? Alternatively, please explain why another time period is preferable and, if applicable, the implications on cash flow and capacity? Would the rules need to commence at the start of a quarter to align with the contract market, or could 5ms commence mid-quarter? What would be the impact of a mid-quarter commencement?	<p>The COVID19 pandemic has impacted Essential Energy’s ability to fully undertake the activities required across its extensive footprint, to effectively and efficiently prepare and complete the required 5MS project tasks in the current timeframe. The social distancing restrictions have prevented staff and contractors from coming on site to do works and this has slowed down progress. Furthermore, the priority of Essential Energy’s IT department staff has been to enable working from home capabilities, resulting in a temporary diversion of focus away from other projects, such as 5MS. Essential Energy agrees with the proposal for a 12-month delay as this would represent a more realistic timeframe to achieve implementation of the required changes and it would allow the project to be carried out in an efficient and safe manner.</p> <p>In addition to this, the current Energy Networks Australia (“ENA”) relief package offering rebate and deferral of payment options to retailers may have an adverse impact on Essential Energy’s cash flow. This is in addition to any potential changes</p>

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	<p>in consumption which may impact revenue. This impact is likely to continue until 2021 as a result of the recent rule change request submitted by the Australian Energy Regulator (“AER”) for an extension of time for retailers to pay networks in respect of electricity hardship customers and customers on other forms of deferred payment arrangements. Furthermore, the process and system changes required to implement the ENA relief package have diverted resources from projects such as 5MS and this will have an impact on meeting the current project timeline.</p> <p>Essential Energy’s preference is for commencement of 5MS at the start of a quarter which aligns with its support for a delayed start date of 1 July 2022.</p>
b) What is the appropriate date for the commencement of the 'soft' and 'hard' starts for global settlement? Should this be a linear move by the number of months of delay, or should the dates change to another timeframe?	
c) If there is a 12-month delay to the start date of 5MS and GS, is it still appropriate that all new and replacement meters (other than 4A) installed after 1 December 2018, and type 4A meters installed after 1 December 2019, be required to record and provide 5-minute data by 1 December 2022? If not, why and what time period would be appropriate?	<p>This seems reasonable and does not appear to have any impact on the risks or benefits of the delayed commencement date.</p>
d) If global settlement is delayed, by what date should AEMO prepare and publish the first report on unaccounted for energy required under cl 3.15B(a)?	
e) Cl 11.112.6 states that AEMO must make and publish the unaccounted for energy reporting guidelines required under new cl 3.15.5B(d) by 1 December 2022. What is the appropriate date for the publication of these reporting guidelines if there is a delay to global settlement?	

## CHAPTER 4 – SECTION 4.2 – PARTICIPANT COSTS AND CAPACITY

### Question 2 – Participant costs

<p>a) What is the expected impact of COVID-19 on participant cash flows? How material is this impact? How long are these cash flow impacts expected to last?</p>	<p>As noted in the consultation paper, networks may be impacted by lower demand and volumetric revenue. In addition, the ENA relief package in relation to customer hardship arrangements and the offer of rebate and deferral of payment options to retailers, is currently impacting Essential Energy’s cash flow, with this expected to continue until 30 June 2020. The impact may last until 2021 as a result of the recent rule change request submitted by the AER for an extension of time for retailers to pay networks in respect of electricity hardship customers and customers on other forms of deferred payment arrangements.</p> <p>The ENA relief package is estimated to have a total financial impact on Essential Energy of between</p> <p><b>Confidential: Confidential information has been omitted for the purposes of section 24 of the Australian Energy Market Commission Establishment Act 2004 (SA) and sections 31 and 48 of the National Electricity Law.</b></p>
<p>b) For participants that are required to implement changes to IT systems and procedures for 5MS and GS, how would the proposed 12-month delay impact your implementation costs? Please quantify and provide evidence where possible. Any confidential cost information will be treated as confidential and redacted from submissions published on the AEMC’s website.</p>	<p>A 12-month delay will help ensure that implementation costs remain within budget.</p>
<p>c) To what extent can additional market testing periods run by AEMO minimise costs associated with the delayed commencement of 5MS and GS? To what extent do participants rely on B2B data flows for 5MS and GS testing?</p>	<p>Additional market testing periods would assist the scheduling of resources and systems, which are currently constrained as a result of the impacts of COVID-19. Essential Energy relies on B2B data flows for 5MS testing, with the requirement of market trial opportunities for multi-party industry wide testing to run through the transactions. This will ensure that business processes and systems are working as intended and integration between B2B is successful.</p>

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**Question 3 – Participant capacity**

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| d) To what extent has COVID-19 affected participants' ability to implement the necessary changes for 5MS and GS by 1 July 2021? | Essential Energy's capacity and capability to achieve implementation of 5MS by July 2021 has been heavily impacted by COVID-19 due to lockdowns and restrictions that have prevented the completion of technology upgrades and related activities. |
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**CHAPTER 4 – SECTION 4.3 – ELECTRICITY CONTRACT MARKET IMPLICATIONS****Question 4 – Electricity contract market**

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| a) To what extent have you purchased 5-minute cap products for FY 2021-22? What would the impact of a delay be to the value of those 5-minute cap products as risk management products for your business? |  |
| b) Would a delay to commencement of 5MS impact swap, captions or any other financial hedging products trading for FY2021-22 and beyond? If so, how?   |  |

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**CHAPTER 4 – SECTION 4.4 – DELAYED BENEFITS**

**Question 5 – Delayed benefits**

<p>a) To what extent were investments that have been made, or are planned to be made, in technologies that are capable of responding to a five-minute price signal, dependent on the 5MS rule commencing on 1 July 2021, as opposed to other factors? What effect would a 12-month delay have on the expected return on investment for these assets? Please quantify and provide evidence, noting that submissions can be treated as confidential if requested, or confidential information can be redacted from submissions published on the AEMC's website.</p>	<p>Essential Energy has not committed to any solutions or services that were dependent on a 1 July 2021 commencement date.</p>
<p>b) To what extent would a 12-month delay to the start of 5MS and/or GS delay the realisation of other benefits for individual participants and/or the industry as a whole? Please quantify and provide evidence, noting that submissions can be treated as confidential if requested, or confidential information can be redacted from submissions published on the AEMC's website.</p>	<p>The availability of more detailed 5MS consumption data to assist with network planning and investment will be impacted by the delay. It is difficult to quantify what this impact would be at this stage. Essential Energy considers that a 12-month delay would not have a major effect on this.</p>

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**CHAPTER 4 – SECTION 4.5 – IMPLICATIONS OF DELAY ON RULE DRAFTING, PROCEDURES AND DETERMINATIONS**

**Question 6 – Drafting and procedure implications of delay**

a) Is there any feedback on the high-level description of a potential rule presented in Appendix A? Are there any other interactions with affected rules and schedules that have not been identified?	
b) Should AEMO, the AER and the IEC be required to review and if necessary, amend their relevant procedures to take into account a delay to five minute and global settlement?	
c) In its rule change request, AEMO proposes that there should be no consultation on any changes to its procedures if those changes are solely related to a delay to five minute and global settlement. Are there any reasons that this could be an issue?	