

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

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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?	Mondo supports with the 12-month delay as being in the best interest of the market and hence customers. We also recommend avoiding the peak summer period that would coincide with peak pricing and provide as much chance to avoid the impacts of COVID-19 of meeting compliance.

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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?	As previously identified as most efficient, the soft start date for Global Settlements should align to the 5MS commencement date. E.g. 1 July 2022 as proposed. The hard start date can occur within four to six months later. Mondo supports the linear shifting of dates inline with the proposed 5MS/GS rule deferral
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?	Mondo are not impacted should the go live date for all new and replacement meters (other than 4a) installed after 1 December 2018 are delivering data by 1 st December 2022.
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)?	N/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?	Mondo supports the linear shifting of dates inline with the proposed 5MS/GS rule deferral

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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>The financial impact of COVID-19 is uncertain as it will ultimately depend on a range of factors including the number of customers that enter into hardship arrangements with retailers, the duration and severity of the pandemic, the duration and severity of government restrictions that are imposed in relation to social distancing, and the response from any regulatory authorities. In particular, so called ‘second wave’ economic effects from the ending of key Government support measures are expected but uncertain. In addition, AusNet Services is closely monitoring the availability and pricing of debt and equity markets given that, as a regulated utility, it is heavily reliant on continuing sources of funding to support its expenditure programs.</p> <p>Given this uncertainty and the current volatility in funding markets, AusNet Services (Including Mondo) has responded in a prudent manner by reprioritising our capex plans (including the deferral of some projects) in order to provide some short- term financial headroom and minimise disruption to our customers as they work and learn from home during the restrictions. This will enable us to effectively respond to the actual impacts as they arise as well as provide a quick and deliberate response to support any post pandemic recovery.</p> <p>In addition to the financial considerations of COVID-19, the reprioritisation and deferral of our capex plans has allowed AusNet Services management and executive to dedicate their focus on business critical activities and ensuring the continued supply of safe and reliable energy for our customers.</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>While there have been a small amount demobilisation and pause costs, deferral of the 5MS and GS program is welcomed and has been beneficial to AusNet Service’s (Including Mondo) overall management of its sizable capex program during the FY21 period, allowing it to devote scarce management resources to its Covid-19 response. It has also allowed our ICT Division to focus on maintaining and improving working from home arrangements enhancing the productivity of our workforce and customer interface systems to improve customer experience outcomes during the crisis.</p>

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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?	Mondo will rely on the extended market testing timeframes and will participate in the testing activities as per the revised program timeframes. (i.e. inline with deferred dates).
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Question 3 – Participant capacity

d) To what extent has COVID-19 affected participants' ability to implement the necessary changes for 5MS and GS by 1 July 2021?	<p>AusNet Services (Including Mondo) considered it essential to act when the Rule Change proposal was announced and immediately paused implementation of our program. Immediate deferral of all non-critical program activities ensured AusNet Services could put in place the prudent financial management measures referenced above, and maximise customer benefits associated with our Covid-19 response.</p> <p>In respect of the longer term effects of Covid-19 on implementation, AusNet Services (Including Mondo) transitioned early to working-from-home arrangements where possible, including the entire 5MS/GS program. It is understood that while there may have been a longer-term impact on productivity for the program it is too early to quantify at this stage.</p> <p>AusNet Services (Including Mondo) strongly supports a 12 month deferral to ensure industry has the ability and time to respond to the Covid-19 situation, and return to normal as best as possible. It is also an opportunity for AEMO and the AEMC to reassess the final 5MS/GS solution to ensure it is delivering the biggest net benefit for customers.</p>
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CHAPTER 4 – SECTION 4.3 – ELECTRICITY CONTRACT MARKET IMPLICATIONS

Question 4 – Electricity contract market

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?	N/A
b) Would a delay to commencement of SMS impact swap, captions or any other financial hedging products trading for FY2021-22 and beyond? If so, how?	N/A

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CHAPTER 4 – SECTION 4.4 – DELAYED BENEFITS

Question 5 – Delayed benefits

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 SMS 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.

There are no benefits being delayed apart from SMS market compliance.

b) To what extent would a 12-month delay to the start of SMS 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.

There are no benefits being delayed apart from SMS market compliance.

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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

<p>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?</p>	<p>Section called 'Metering Installations' refers to:</p> <p>CI 1103.3 and 'The Commission is considering if this is still appropriate given the delay'</p> <p>In response to the last sentence, Mondo request the current dates of meters providing 5 minute data remain. Changes to this requirement would involve a major change to process at an unaccounted for cost.</p> <p>CI 11.103.5 and 'The Commission is considering if the date for this exemption is still appropriate given the delay'.</p> <p>In response to the last sentence, Mondo request the current dates of meters providing 5 minute data remain and the exemptions remain. It should be noted it would be unrealistic for a business to cutover all required meters in one day. More likely, businesses will incrementally push meters required to deliver 5 minute data to participants from the 1st July 2022 (proposed rule change) to the 1st December 2022.</p>
<p>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?</p>	<p>Mondo believes that the date change does not warrant changes to the relevant procedures, other than to the effective dates to reflect the delay.</p>
<p>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?</p>	<p>Mondo agrees with the proposed rule change that changes to AEMO, AER and IEC procedures relating to the rule change deferral do not need further consultation insofar as they are only to alter the effective dates.</p>