

13 September 2019

Life support review
Essential Services Commission
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By online submission

Dear Essential Services Commission,

AEMO submission to Strengthening protections for life support customers review

AEMO welcomes the opportunity to provide input on the Commission's draft decision on Strengthening protections for life support customers.

AEMO is the independent market operator for Victoria's gas and electricity retail markets. It provides the procedures and IT systems that support business-to-business (B2B) communications in both gas and electricity, including electricity B2B communications relating to life support (LS) information. These roles are undertaken within current legislated policy and market frameworks and in adherence to the National Gas, Electricity, and Energy Retail Objectives and Rules as well as to the Essential Services Commission's (ESC's) energy codes.

AEMO supports efforts to improve protections for customers requiring LS equipment and changes which seek to harmonise, where possible, the Essential Services Commission's energy codes with the National Energy Retail Rules.

AEMO's submission provides information regarding any potential changes to market IT systems required as a result of the ESC's life support review as well as information regarding National Electricity Rules and National Gas Rules requirements for consultation on Procedures.

For further information on AEMO's submission to this review, please do not hesitate to contact Kevin Ly, Group Manager – Regulation at kevin.ly@aemo.com.au or on 02 9239 9160.

Yours sincerely



Peter Geers
Chief Strategy and Markets Officer

Question	AEMO Response
General comments – gas	<p>Gas retail market participants that operate in jurisdictions outside of Victoria currently fulfil some of their National Energy Retail Rules LS obligations using bilateral agreements between Retailers and Distributors. AEMO does not provide IT systems or Procedures to facilitate these bilateral arrangements.</p> <p>At a Gas Retail Consultative Forum¹ (GRCF) workshop held 3 September 2019, no participant expressed that it would be uncomfortable with continuing to use these bilateral agreements to fulfil the LS obligations proposed in the ESC’s draft decision. As such, no Procedure or IT system changes by AEMO will be required to facilitate the ESC’s life support provisions as currently proposed.</p> <p>To make changes to Procedures, AEMO requires several months to consult with industry in line with the consultation requirements of the National Gas Rules. Further, AEMO may require as many as 18 months to implement any required changes to market IT systems following the close of a Procedure consultation (with the exact implementation time depending on the complexity of the change). As such, should the ESC’s proposed LS obligations change substantively in its final decision so as to necessitate Procedure or IT system changes, AEMO would be unable to deliver these changes by the 1 January 2020 deadline.</p>
General comments – electricity	<p>National Electricity Market retail participants that operate in jurisdictions outside of Victoria currently fulfil some of their National Energy Retail Rules LS obligations via B2B transactions that are processed by AEMO’s IT systems. Use of these transactions is outlined in the B2B Procedures, which are governed by the Information Exchange Committee (IEC)².</p> <p>At a Gas Retail Consultative Forum (GRCF) workshop held 3 September 2019, several dual-fuel participants expressed their belief that the current LS B2B transactions would be able to adequately fulfil market participants’ obligations under the LS provisions proposed in the draft decision. As such, AEMO does not believe any changes are needed to electricity B2B Procedures or transactions to accommodate the LS provisions as currently proposed.</p> <p>AEMO notes that it would take several months for the IEC to consult on B2B Procedure changes in line with prescribed consultation requirements under the National Electricity Rules ,</p>

¹ The GRCF is an AEMO-run forum open to any gas retail market participants or interested parties. It discusses proposed changes to AEMO’s gas Retail Market Procedures and associated technical documents.

² Under the National Electricity Rules, the Information Exchange Committee is responsible for managing the ongoing development of the B2B Procedures and any changes to them.

Question	AEMO Response
	and AEMO would not be able to implement any system changes for up to 18 months following the close of a Procedure consultation (with the exact implementation time depending on the complexity of the change). As such, if the ESC's proposed LS obligations should change substantively in its final decision so as to necessitate IT system changes, AEMO would be unable to deliver these changes by the 1 January 2020 deadline.