



RETAILER OF LAST RESORT POST IMPLEMENTATION REVIEW REPORT

SUSPENSION OF GO ENERGY PTY LTD RETAILER FROM THE
NATIONAL ELECTRICITY MARKET IN APRIL 2016

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IMPORTANT NOTICE

Purpose

AEMO has prepared this document to provide information as at the date of publication about the suspension of Go Energy Pty Ltd from the National Electricity Market in April 2016 in accordance with clause 17 of the NEM RoLR Processes.

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EXECUTIVE SUMMARY

The purpose of this report is to provide a review of the Retailer of Last Resort (RoLR) event that occurred on 2 April 2016 following the suspension of Go Energy Pty Ltd (Go Energy) from trading in the National Electricity Market (NEM).

The suspension of Go Energy resulted in the following market impacts:

- Approximately 2,100 National Metering Identifiers (NMIs) were transferred from Go Energy to other retailers.
- Participant reconciliation reports identified there were:
 - Two NMIs where processing in Market Settlement and Transfer Solutions (MSATS) was still in progress. This was due to:
 - One NMI being processed due to site and market conditions at the time of the RoLR event. AEMO has since been advised this NMI has completed processing; and,
 - One NMI was located at a 'greenfield site' where the meter was yet to be attached. AEMO has since confirmed this NMI has been made an 'extinct site'.
 - Three NMIs in dispute due, in part, to:
 - An inconsistency in participant relationships between MSATS compared to a participant's system. AEMO has since been advised that this NMI has been resolved; and,
 - Two disputes regarding the allocated Financially Responsible Market Participant (FRMP). AEMO has since been advised one is resolved and the current FRMP will resolve the other.
- Impacts to participants' business-as-usual activities was minimal and NMI processing times varied from one day for non-retailer participants, to up to 28 days for retailer participants.

On reviewing the RoLR event, AEMO has identified the following issues:

- Some participants encountered issues reconciling initial RoLR reports to completed transfers due to timing of the RoLR reports being produced and subsequent transfers being submitted.
- Not all participants knew their passwords, which were required to access the RoLR reports AEMO had sent them. Some participants encountered delays receiving passwords.
- During the accelerated retrospective transfer process on the 5 April 2016, AEMO incorrectly accelerated the retrospective transfers to the change request proposed date instead of the RoLR effective transfer date. AEMO rectified this the following day by submitting change requests to change the proposed date to the RoLR effective transfer date.

AEMO propose a review of the NEM RoLR Processes, the scope (which may include feedback on RoLR reports and accelerated retrospective transfers) and timing of the review will be discussed at the October 2016 Retail Market Consultative Forum (RMCF).



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1. THIS REPORT

AEMO has prepared this report as a result of its review of the Go Energy RoLR event which occurred on 2 April 2016. The report contains a review of the impacts to the NEM as a whole, including issues identified by AEMO during the review process and proposed solutions to these issues.

2. BACKGROUND

Clause 17.3(a) of the MSATS Procedure RoLR Procedures¹ requires AEMO to prepare a RoLR Post Implementation review report. All RoLR affected MSATS participants are also required to provide AEMO with a report which contains the data specified in the sub-clauses of clause 16.3(e) of the MSATS Procedure RoLR Procedures and of clause 105.3(e) of the B2B Procedure RoLR Process¹.

A RoLR describes a retailer that would take over financial responsibility for a NMI in the event that the NMI's current retailer is no longer able to fulfil that responsibility, as a result of:

1. Having its licence to operate as an electricity retailer revoked or suspended in one or more jurisdictions; and/or
2. Being suspended by AEMO because it has defaulted in the performance of its obligations under the NEM Rules.

Once a RoLR event has been declared, AEMO notifies RoLR key contacts that a RoLR event has occurred, and distributes summary and NMI List type reports to affected MSATS Participants. AEMO cancels all change requests where the suspended retailer is the proposed new FRMP and the customer remains with its current retailer. AEMO then begins an accelerated customer transfer process for NMIs that have a pending transfer request from the suspended retailer to a nominated retailer. Remaining customers are then transferred to nominated RoLRs via the bulk change transfer (BCT) tool in MSATS. Section 1.13 of the NEM RoLR Processes provides a summary of RoLR processes.

3. EVENT DETAILS

Go Energy held three participant roles across the jurisdictions of Queensland, New South Wales, ACT, Victoria, and South Australia. It held the FRMP role for the majority of its sites, however it also held the role of Responsible Person (RP), and Local Retailer (related to some embedded networks).

AEMO issued a notice suspending Go Energy from the NEM on Friday 1 April 2016, which came into effect at 12:00am on Saturday 2 April 2016. Once the suspension notice was issued, AEMO provided regulatory bodies (the Australian Energy Regulator and Essential Services Commission Victoria) with a notice confirming that the suspension had occurred. Following the RoLR event being initiated by the relevant regulatory bodies, AEMO notified NEM participants that the RoLR event had occurred via email. All nominated RoLR contacts for affected participants were notified of the RoLR event via email, which included the information outlined in clause 3.3 (b)(c)(d) of the MSATS Procedure RoLR Procedures.

¹ The MSATS Procedure RoLR Procedures and B2B Procedure RoLR Process can be found in the NEM ROLR Processes document at: <https://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Retail-and-metering/Market-Settlement-and-Transfer-Solutions>



AEMO delivered RoLR Reports, as detailed in Appendix 1 of the NEM RoLR Processes on Friday 1 April 2016, which were relevant for the suspended retailer's activities. RoLR/FRMP Summary Reports, LR Summary Reports and NMI List Reports were sent to affected participants.

NMIs with pending change requests in MSATS to transfer from Go Energy to a nominated FRMP were accelerated. Accelerated transfer reports were emailed to affected participants. NMIs with change requests in MSATS to transfer to Go Energy as the new FRMP, and where the proposed change date was greater than or equal to the RoLR effective transfer date, were cancelled and remained with their existing retailer. Cancelled transfer reports were emailed to affected participants. Cancelled transfers were processed on Monday 4 April 2016 and accelerated transfers were processed overnight on Tuesday 5 April 2016.

AEMO completed BCT runs on Tuesday, 5 April, moving Go Energy customers to their allocated RoLR.

4. MARKET IMPACT

Approximately 2,100 NMIs were transferred from Go Energy to various retailers. The retailers with the role of Designated RoLR included: AGL, AGL South Australia, Origin Energy Electricity, Energy Australia and ActewAGL Retail (further detail can be found in the AER ROLR Notice²).

AEMO received 15 reconciliation reports from RoLR affected market participants by the required date of 4 August 2016. Analysis of the reports highlighted there were two NMIs for which processing was still in progress. AEMO since has been advised one of these NMIs has completed processing. The other NMI is a 'greenfield' site, where a meter is yet to be attached before a customer account can be established. AEMO has confirmed this NMI has been made extinct.

In addition, three NMIs were reported as being in dispute. AEMO has since been advised that two of these have been resolved, the remaining NMI will be resolved by the current FRMP.

The five issues above represent errors of less than one percent.

One participant stated they didn't receive one of the RoLR reports, which required additional effort by the participant to reconcile the NMIs within their system.

The estimated times for completion of business processes described in the MSATS Procedure RoLR Procedures varied between participants. Generally, non-retailer participants such as Local Network Service Providers (LNSPs), Meter Data Providers (MDPs), and Metering Providers (MPs) processed their NMIs within one day, while retailer participants required 14 to 28 days to process all their NMIs. Timeframe impacts on business-as-usual (BAU) MSATS-related business processes were minimal. The majority of affected participants had no impacts to BAU processes, while only three participants had BAU process impacts for periods up to two hours.

² The AER Go Energy RoLR Electricity Notice can be found at: https://www.aer.gov.au/system/files/RoLR%20Notice%20-%20Go%20Energy%20-%20Electricity_1.PDF



5. ENCOUNTERED ISSUES

5.1 Report reconciliation

Some participants did encounter discrepancies when reconciling initial RoLR reports produced on Friday 1 April with MSATS change request notifications at the completion of the AEMO BCT process. This is a result of change requests being submitted by participants during the time between the RoLR reports being issued (Friday 1 April) and suspension of Go Energy being in effect (Saturday 2 April). NMI's with these change requests were transferred to their chosen retailer rather than the RoLR.

5.2 Accessing password protected reports

AEMO did not distribute RoLR Report passwords when reports were sent on Friday 1 April. Some participants were not aware of their password and consequently, encountered delays receiving passwords when contacting AEMO. This meant rather than accessing reports over the weekend some had to wait until Monday 4 April.

5.3 Accelerated transfers

AEMO encountered an issue regarding the accelerated retrospective transfer process for NMI's that were in the process of being transferred from Go Energy to their preferred FRMP. AEMO incorrectly accelerated the retrospective transfers to the change request proposed date instead of the RoLR effective transfer date. On Wednesday, 6 April, AEMO submitted change requests to rectify this and set the RoLR as FRMP from the RoLR effective date (Saturday, 2 April 2016).

6. RECOMMENDATION

AEMO will discuss with participants at the October 2016 RMCF the scope and best timing for a review of the NEM RoLR Processes. AEMO expects this review to include, but not be limited to:

- A review of the RoLR report requirements.
- Discussion on the best treatment of accelerated retrospective transfers.
- Proposed options to improve the distribution of RoLR report passwords to participants.