

RETAILER OF LAST RESORT POST IMPLEMENTATION REVIEW REPORT

December 2023

SUSPENSION OF QENERGY LIMITED
RETAILER FROM THE NATIONAL
ELECTRICITY MARKET IN JUNE 2023





Important notice

Purpose

AEMO has prepared this document to provide information as at the date of publication about the suspension of QEnergy Limited from the National Electricity Market (NEM) in June 2023 in accordance with clause 19 of the [NEM RoLR Processes Part A and Part B](#)¹ (ROLR Procedures).

This publication is generally based on information available to AEMO as at 11 December 2023 unless otherwise indicated.

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Version control

Version	Release date	Changes
1.0	18/12/2023	Initial publication

¹ https://aemo.com.au/-/media/files/electricity/nem/retail_and_metering/market_settlement_and_transfer_solutions/2022/nem-rolr-processes-part-a-and-part-b-v23.pdf?la=en

Executive summary

This report reviews the Retailer of Last Resort (RoLR) event that occurred on 17 June 2023 following the suspension of QEnergy Limited (QEnergy), with the registered participant identification “QENERGY”, from trading in the National Electricity Market (NEM).

The suspension of QEnergy resulted in the following market impacts:

- Approximately 10,305 National Metering Identifiers (NMIs) were transferred from QEnergy to other retailers.
- Affected participant reconciliation reports identified:
 - No major issues
 - Impacts to Affected participants’ business-as-usual (BAU) activities were minimal. NMI processing was reported as taking from 1 day to 60 days to complete.

On reviewing the RoLR event, AEMO has found that while no significant issues were reported for this event, and the impacts on participants’ BAU activities have been minimal, there is a potential for more significant impacts if an event involving a larger retailer were to occur.

AEMO is currently in discussions with participants about ways to improve efficiency in the RoLR processes.



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ACRONYMS

Acronym	Description
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
ESC	Essential Services Commission
Affected Participants	RoLR Event Affected MSATS Participants
BAU	Business-As-Usual
NEM	National Electricity Market
ROLR Procedures	NEM ROLR Processes Part A - MSATS Procedure: ROLR Procedure Part B - B2B Procedure
RoLR	Retailer of Last Resort

1 THIS REPORT

AEMO has prepared this RoLR Post Implementation Review report as a result of its review of the QEnergy Retailer of Last Resort (RoLR) event, which occurred on 17 June 2023. This report includes;

- a summary of the impact on the NEM markets,
- a review of reported issues and subsequent proposed solutions.

2 BACKGROUND

A retailer may be suspended from the NEM 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; financially or otherwise.

A RoLR is a retailer that takes over financial responsibility for a NMI. The RoLR event aims to protect customers in the event of a retailer failure. AEMO has procedures to manage this event, which are fully outlined in Section 2 of the ROLR Procedures. Once a RoLR event has been declared, AEMO notifies RoLR key contacts of the RoLR event, and distributes a summary and NMI List type reports to affected MSATS Participants. AEMO cancels all CRs where the suspended retailer is the proposed new Financially Responsible Market Participant (FRMP), and the customer remains with its current retailer. AEMO then begins an accelerated customer transfer process for NMIs with a pending transfer request from the suspended retailer to a nominated retailer. Remaining customers are then transferred to designated RoLRs via the bulk change transfer (BCT) tool in MSATS.

Post event, Clause 19.1(a) of the NEM RoLR Procedures requires AEMO to prepare a RoLR Post Implementation review report within six months of the date the RoLR event was invoked to identify and remedy any issues.

3 METHODOLOGY

This event report is compiled from information provided by participants, with a summary of the affected NMIs, as per Clause 18.2(e) and Clause 105.3(e) of the NEM ROLR Procedures, in the 3-4 months following the RoLR event being invoked. Further, any issues raised to or by AEMO during the RoLR process are considered.

4 EVENT DETAILS

QEnergy held the participant role of Financially Responsible Market Participant (FRMP) across the Queensland, New South Wales, South Australia and Victoria jurisdictions.

On 16 June 2023, under clause 3.15.21(f) of the National Electricity Rules, AEMO suspended QEnergy Pty Ltd from the National Electricity Market with effect from 0:00 hours Australian Eastern Standard Time on 17 June 2023.

Once the suspension notice was issued, AEMO provided regulatory bodies (the Australian Energy Regulator and the Electricity Essential Commission) with a notice confirming the suspension. Subsequently, the AER and the ESC published official RoLR notices on 16 June 2023 to notify all participants and market customers and specify the RoLRs. AEMO also notified MSATS participants via email that the RoLR event had occurred as required by the NEM ROLR Procedures.

AEMO delivered RoLR NMI List Reports, as detailed in Appendix 1 of the NEM RoLR Procedures on 16 June 2023, related to the suspended retailer's activities.

NMIs with pending CRs in MSATS to transfer from QEnergy to a nominated FRMP were accelerated. Accelerated transfer reports were emailed to affected participants. Accelerated transfers were processed on 19 June 2023. No transfers were required to be cancelled in this event.

AEMO completed BCT runs on 19 June 2023, moving QEnergy customers to their allocated RoLR (as specified by the AER and the ESC) with a retrospective proposed change date of 17 June 2023.

5 MARKET IMPACT

A total of 10,304 NMIs were transferred from QEnergy to three retailers. The retailers with the role of Designated RoLR included: Origin Energy Electricity Limited (POWERCOR), Energy Australia Pty Ltd (ENGYAUST) and AGL Sales Pty Ltd (SOLARIS) as specified in the AER and the ESC ROLR Notices. AEMO received reconciliation reports from 38 RoLR-affected market participants (38 participant IDs) The reports indicated that:

- The estimated business process completion times described in the NEM RoLR Procedures varied from 1 day to 60 days.
- No timeframe impacts on BAU MSATS-related business processes.

6 ENCOUNTERED ISSUES

No significant issues were reported.

7 RECOMMENDATIONS

While this RoLR Event has not substantially impacted participants' BAU processes, and there were no major issues reported, there is a potential for more significant impacts if an event involving a larger retailer were to occur. AEMO is currently in discussions with participants about ways to improve efficiency in the RoLR processes.