

RETAILER OF LAST RESORT POST IMPLEMENTATION REVIEW REPORT

JANUARY 2023

SUSPENSION OF POWER CLUB
LIMITED RETAILER FROM THE
NATIONAL ELECTRICITY MARKET IN
JULY 2022





Important notice

Purpose

AEMO has prepared this document to provide information as at the date of publication about the suspension of Power Club Limited (ACN 603 346 836) from the National Electricity Market (NEM) in July 2022 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 09 January 2023 unless otherwise indicated.

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Version control

Version	Release date	Changes
1.0	12/01/2023	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 12 July 2022 following the suspension of Power Club Limited (Power Club), with the registered participant identification “POWRCLUB”, from trading in the National Electricity Market (NEM).

The suspension of Power Club resulted in the following market impacts:

- Approximately 1,940 National Metering Identifiers (NMIs) were transferred from Power Club to other retailers.
- Affected participant reconciliation reports identified:
 - Impacts to affected participants’ business-as-usual (BAU) activities were minimal.
 - NMI processing was reported as taking from 1 day to 3 days to complete.

On reviewing the RoLR event, AEMO has found that no major issues were reported for this event and the impacts of this RoLR event on participants’ BAU activities have been minimal. However, the frequency with which RoLR events have occurred gives rise to the potential for more significant impacts.

AEMO will continue to discuss 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
Affected Participants	RoLR Event Affected MSATS Participants
BAU	Business-As-Usual
ESC	Essential Services Commission
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 Power Club Retailer of Last Resort (RoLR) event, which occurred on 12 July 2022. 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 away 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

Power Club held the participant role of Financially Responsible Market Participant (FRMP) across the New South Wales, Victoria, Queensland, Australian Capital Territory and South Australia jurisdictions.

On 11 July 2022, under clause 3.15.21(f) of the National Electricity Rules, AEMO suspended Power Club Limited from the National Electricity Market with effect from 0:00 hours Australian Eastern Standard Time on 12 July 2022.

Once the suspension notice was issued, AEMO provided regulatory bodies (the Australian Energy Regulator and the Essential Services Commission) with a notice confirming the suspension. Subsequently, the AER and the ESC published their respective official [notices](#)² on 12 July 2022 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 and Summary Reports, as detailed in Appendix 1 of the NEM RoLR Procedures on 12 July 2022, related to the suspended retailer's activities.

NMIs with pending CRs in MSATS to transfer from Power Club to a nominated FRMP were accelerated. Accelerated transfer reports were emailed to affected participants. Accelerated transfers were processed on 13 July 2022. No transfers were required to be cancelled in this event.

AEMO completed BCT runs on 13 July 2022, moving Power Club customers to their allocated RoLR (as specified by the AER and the ESC notices) with a retrospective proposed change date of 12 July 2022.

5 MARKET IMPACT

A total of approximately 1,940 NMIs were transferred from Power Club to four retailers. The retailers with the role of Designated RoLR included: Origin Energy Electricity Limited, EnergyAustralia Pty Ltd, AGL ACT Retail Investments and AGL Sales Pty Ltd as specified in the AER and the ESC notices. AEMO received reconciliation reports from 16 RoLR-affected market participants (41 participant IDs). The reports indicated that:

- The estimated business process completion times described in the NEM RoLR Procedures varied from 1 day to 3 days.
- No timeframe impacts on BAU MSATS-related business processes.

6 ENCOUNTERED ISSUES

No significant issues were reported.

² <https://www.esc.vic.gov.au/media-centre/statement-power-club-limited>

https://www.aer.gov.au/system/files/AER%20RoLR%20notice%20-%20Power%20Club%20Limited%20-%202012%20July%202022_0.pdf



7 RECOMMENDATIONS

This RoLR event has not substantially impacted participants' BAU processes, and there were no major issues reported. However, there is a potential for more significant impacts if an event involving a larger retailer were to occur or if the frequency of RoLR events increased.

AEMO will continue to discuss with participants about ways to improve efficiency in the RoLR processes.