

15 May 2020

Notice to all Registered Participants in accordance with clause 383(3) of the Retail Market Procedures Western Australia (RMP WA)

Purpose of the notice

Having concluded the consultative process prescribed under clause 383 of the Retail Market Procedures (RMP) Western Australia (WA), this Notice is to advise Participants on AEMO's decision relating to the proposed amendments to clause 32 (Error correction notice) (IN013/19W).

Background

On 10 February 2020, AEMO published the Procedure Change Request (PCR) on its website inviting participants to examine the proposal. Most of the submissions received proposed further amendments which required AEMO to consider the impact of the additional changes on the original proposal. On 5th March 2020, a meeting was held with the participants to discuss AEMO's draft response to the issues raised during the PCR consultation. An outcome from that meeting resulted in further amendments to the RMP (WA). Those additional amendments were circulated to participants for feedback. All participants that provided the feedback supported the proposed changes, subject to AEMO making further minor editorial amendments. AEMO made those amendments as requested.

As per clause 383(1) of the RMP WA, each participant, pipeline operator, prescribed person and interested person was invited to submit written comments on the Impact and Implementation Report (IIR) that provided details about the proposed change which included a draft identifying the amendments with marked up changes. Submissions closed on 6th May 2020. AEMO received submissions from AGL, Origin Energy and Synergy which indicate that they did not support the proposal in its current form.

Refer to Attachment A for further details on the submissions received and AEMO's response to those submissions.

AEMO decision

Having considered the feedback to the IIR consultation, AEMO has decided that an application for approval of the proposed amendments for IN013/19W will not be made to the Economic Regulation Authority (ERA).

Our reasons for not making an application to ERA are:

- All participant submissions to the IIR did not support the proposal in its current form.
- The magnitude of the changes proposed by AGL require AEMO to formally consult again with AEMO stakeholders and GRCF participants.

Should you require any further information please contact Nandu Datar on (03) 9609 8851 or at grcf@aemo.com.au.

ATTACHMENT A - SUBMISSIONS RECEIVED FOR IN013/19W IIR

Section 1 – General comments on the proposed procedure change

Topic	Item#	Who	Response Received	AEMO response
<p>Sections 1 to 9 of the IIR sets out <u><i>AEMO's critical examination of the proposal.</i></u></p> <p>Does your organisation support AEMO's examination of the proposal?</p> <p>If no, please specify areas in which your organisation disputes AEMO examination proposal and include information that supports your organisation's rationale why you do not support AEMO examination.</p>	1	AGL	<p>AGL supports the view that s32A should be amended to clarify that participants must rectify incorrect transfers within a defined period. However, after further review of the proposed drafting set out in this IIR, AGL does not support the current drafting. Following careful review and consideration, AGL believes that while the proposed drafting moves the obligation closer to the intended outcome, the drafting is confusing and does not set out a clear process for notifying, investigating and confirming transfer errors. The drafting contains some fundamental issues and requires notes for explaining subclauses.</p> <p>On review, AGL believes the drafting can be further improved. A revised drafting of the clause was circulated to some WA retailers (Alinta, Kleenheat Gas, Synergy, Origin and Simply Energy) for their feedback. These parties have provided in principle support for the improved drafting.</p> <p>AGL understands that this will complicate the current process, but as this change impacts customers, AGL believes that clarity of understanding and process is important and worth additional time to ensure good drafting.</p>	<p>AEMO notes AGL's feedback that the current drafting is confusing and contains some fundamental issues.</p> <p>AEMO notes that the original drafting as proposed in the Gas Market Issue (GMI) was endorsed following reviews by AEMO stakeholders and GRCF participants to progress to PCR consultation. Given the feedback provided in submissions, AEMO conducted an informal round of review of its analysis and response to the PCR feedback. At the conclusion of the informal review, the submissions received by AEMO confirmed that there were no outstanding issues and the IIR consultation was commenced.</p>

Topic	Item#	Who	Response Received	AEMO response
	2	Origin Energy	Origin Energy do not support AEMO's examination of the proposal. At present, the way the clause is written leaves a lot of ambiguity and therefore seek further clarification outlined in the response for Section 10 of the IIR.	AEMO notes Origin Energy's feedback that the current drafting leaves a lot of ambiguity and refers to its response in item 1 above.
Section 10 of the IIR set out AEMO's recommendation. Does your organisation support AEMO's recommendation of the procedure changes?	3	AGL	As a result of the review discussed above, AGL does not support the position to recommend the procedures' changes in the current draft and proposes alternative drafting.	AEMO notes AGL's feedback and as mentioned in the notice above, will not submit this proposal to the ERA. AEMO notifies GRCF participants that they may resubmit this proposal with alternative drafting as a new GMI and it will be prioritised in the next GRCF program of work.
	4	Origin Energy	Origin Energy do not support AEMO's position to recommend the procedures changes and are seeking clarification on the following: <ul style="list-style-type: none"> <li data-bbox="1003 1066 1608 1366">• Clause 32A - What is considered an error correction. Based on Origin's understanding this refers to either winning a site in error or losing a site however from reading the emended clauses it suggests there could be other factors. What are those factors or is the proposed clause they trying to cover for the unknown? Please note the majority of these 	AEMO notes Origin Energy's feedback and advises that it will consider the points where clarification is sought if the GRCF participants resubmit the proposal as a new GMI.

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			<p>scenarios are due either customers wanting to go back due to their previous offer or it wasn't the correct customer.</p> <ul style="list-style-type: none"> • Clause 32A also mentions the current user must provide an outcome if they investigate within 10 business days. It appears an email will be received advising of the error and if the 10 business days requirement is not met, will the other party simply send AEMO the email trail to demonstrate the cut-off time was missed? • There is a potential issue with this clause as if the customer comes to the new Retailer and wants to go back to their previous Retailer & they don't respond – should the customer be going to their previous Retailer? 	
	5	Synergy	<p>I just wanted to give you an update. Synergy (and other market participants) have been reviewing a revised drafting proposal from AGL. I understand that AGL will be submitting this revised drafting as part of its feedback due today. During the course of this review Synergy has indicated to AGL that it would support AGL's revised drafting proposal.</p>	<p>AEMO notes Synergy's feedback and refers to its response in items 1 and 3 above.</p>

Section 2 – Specific comments regarding RMP

Participants are to complete the relevant columns below in order to record their response.

Clause/ Section ref	Issue / Comment	Proposed text Red-strikeout means delete and <u>blue underline</u> means insert	Rating ¹ (H/M/L)	AEMO Response (AEMO only)
	[No comments received]			

¹ L = LOW: NOT CRITICAL. ISSUES / COMMENTS ARE MINOR. THEY ADD CLARITY TO THE DOCUMENT. NO MAJOR CONCERN IF NOT INCLUDED IN ANY FURTHER REVISIONS.
M = MEDIUM: IMPORTANT. STRONG CASE THAT ISSUE / COMMENTS SHOULD BE CONSIDER AND AN UPDATE TO THE DOCUMENT IS DESIRABLE, BUT NOT CRITICAL.
H = HIGH: CRITICAL. THE ISSUE / COMMENTS ARE FUNDAMENTAL AND FAILURE TO MAKE NECESSARY CHANGES HAS THE POTENTIAL TO IMPACT CONSENSUS.

Section 3² – Additional feedback that is not part of this consultation but warrants further investigations / discussions.

Topic	Please Provide Response Here
Does your organisation have any feedback / suggestions that closely relates to the scope or impacts this consultation, but the nature of the feedback / suggestion warrant further investigations / discussion? If so, please included your feedback / suggestions.	Refer to attachment 1 submitted by AGL.

² Note - This feedback will be reviewed by AEMO at a later date, therefore will not be used for this consultation. AEMO will complete a preliminary assessment of the feedback assess the feedback and it may then form part of another consultation or the annual prioritisation process