

NOTICE OF TIME LIMIT EXTENSION

National Gas Rules – Rule 135EG

IN004/20: Changes to Retail Market Procedures (NSW/ACT) / Baseload and temperature sensitivity factor changes

Date of Notice: 8 September 2021

This notice advises that AEMO has extended the time limit for publication of the IN004/20 Notice of AEMO Decision.

Under clause 135EG of the National Gas Rules (NGR), AEMO may extend the time limit for publication of a Notice of AEMO Decision if:

- (a) the relevant proposal raises questions of such complexity or difficulty that an extension of the time limit is justified; or
- (b) a material change of circumstances occurs justifying the extension of the time limit.

In feedback to the Impact and Implementation Report (IIR), Red and Lumo Energy argued that the proposed changes would not be consistent with the National Gas Rules (NGR) (see Attachment A for Red / Lumo's full submission). Given that this feedback was only raised in response to the IIR, the Gas Retail Consultative Forum (GRCF) did not have an opportunity to review Red / Lumo Energy's concerns and any proposed solutions that meet the requirements of the change while also ensuring consistency with the NGR. Accordingly, AEMO believes the proposal has raised questions of such complexity or difficulty that an extension of the time limit is justified, as per NGR clause 135EG(a).

In line with this, AEMO will issue a meeting invitation to the GRCF to discuss the concerns that Red / Lumo has raised regarding IN004/20.

AEMO will publish the Notice of AEMO Decision for IN004/20 by 1 December 2021.

ATTACHMENT A – RED / LUMO’S SUBMISSION TO IN004/20 IIR

Section 1 - General Comments on the Impact and Implementation Report (IIR).

General Comments on the Impact and Implementation Report			
<p>Sections 1 to 9 of the IIR sets out details of the proposal.</p> <p>In respect of the changes proposed for WA, does your organisation supports AEMO’s assessment of the proposal?</p> <p>If no, please specify areas in which your organisation disputes AEMO’s assessment (include IIR section reference number) of the proposal and include information that supports your organisation’s rationale for not supporting AEMO’s assessment.</p>	1	Red / Lumo	<p>Section 6. CONSISTENCY WITH NATIONAL GAS RULES (NGR) AND NATIONAL GAS OBJECTIVE (NGO)</p> <p>On further reflection over the proposed changes, Red Energy and Lumo Energy (Red and Lumo) believe that the proposed changes are not consistent with the National Gas Rules and therefore cannot support AEMO’s assessment of the proposal because the proposed ‘Residential medium-density high-rise’ cannot be limited to residential classification. The proposed ‘Residential medium-density high-rise’ characterisation also encompasses customers without Volume Boundary (VB) or Volume Boundary Hybrid (VBH) meters and would impact the calculation of the BL And TSF values for these meters.</p> <p>JGN proposes to improve the quality of estimated reads for medium-density high-rise behind a Volume Boundary (VB) or Volume Boundary Hybrid (VBH) meter with the introduction of a new Estimation Methodology for BL and TSF calculation for ‘medium-density high-rise’. However the proposal currently assumes that medium-density high-rise is Residential, when the characterisation of customers as Residential or Business is dependent upon the customer’s use of the premises, not the fact that the meter is VB or VBH.</p> <p>While the use of the Estimation Type is restricted to VB and VBH meter types, the characterisation itself would be applicable to other customers/meters.</p>

		<p>Since 'medium-density high-rise' does not require a VB or VBH meter, any medium-density high-rise site with an individual meter could readily be a Business customer. JGN's own "Portal Guide: Medium Density / High Rise Applications" indicates that individual metering is available and may be applicable to a Commercial customer. The NSWACT RMP uses the NERL for the definition of customer.</p> <p>Under the NERL, <i>residential customer</i> means a customer who purchases energy principally for personal, household or domestic use at premises.</p> <p>The NSWACT RMP then defines Customer characterisation In relation to a Customer at a delivery point, whether the Customer is:</p> <ul style="list-style-type: none"> (a) 'metropolitan' or 'non-metropolitan', where metropolitan indicates the delivery point is on the NSW-Wilton or ACTCanberra network section; and (b) 'residential' or 'business', where residential indicates the primary use of the consumed energy is for household purposes and business indicates the primary use of the consumed energy is for commercial purposes, as determined by the Customer's Retailer. <p>There is nothing to preclude a customer in a 'medium-density high-rise' being a business customer. There is also nothing precluding the customer use behind a VB or VBH meter from being, or becoming, predominantly business-related which should then require the reclassification of the customer.</p> <p>Furthermore, while Red and Lumo agree that there may be some benefits from the intent of this proposed change, we disagree with the assertion that a new</p>
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		<p>characterisation or estimation methodology will result in more actual readings. There may be better quality reads, however, the networks are not proposing to read these meters more frequently.</p> <p>Extract from IIR</p> <p>4.OVERALL COST AND BENEFITS The specific benefits are:</p> <ul style="list-style-type: none">• More actual readings and better-quality estimates will improve overall customer satisfaction in the medium density/high rise dwellings and enhance trust and confidence in the volume boundary (VB) meter product. <p>In conclusion, Red and Lumo feel that there are too many unintended consequences to support the proposed changes.</p>
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Section 2 - Feedback on the documentation changes to the Retail Market Procedures (NSW/ACT).

Item #	Who	RMP Clause #	Issue / Comment	Proposed	text and
				Red strikeout means delete <u>blue underline</u> means insert	
2	Red Lumo	A2.1	'medium-density high-rise' is not a defined term and cannot be restricted to Residential classification. We note that there are meters that could be both residential or businesses. There are too many unintended consequences for us to support at this time.	(c) Type 2 Estimation Methodology (Gas non-daily metered) NSW metro NSW Nonmetropolitan Residential R1 R2 Residential medium-density high-rise R3 R4 Business B1 B2 ACT metropolitan Residential R1 Residential medium-density high-rise R3 Business B1	
3	Red Lumo	A3.2	'medium-density high-rise' is not a defined term and cannot be restricted to Residential classification. We note that there are meters that could be both residential or businesses. There are too many unintended consequences for us to support at this time.	(c) Type 2 Estimation Methodology (Gas non-daily metered) NSW metro NSW Nonmetropolitan Residential R1 R2 Residential medium-density high-rise R3 R4 Business B1 B2 ACT metropolitan Residential R1 Residential medium-density high-rise R3 Business B1	