

# NEM CUSTOMER SWITCHING

## PROCEDURE CONSULTATION

### DRAFT DETERMINATION STAGE PARTICIPANT RESPONSE TEMPLATE

***Participant:*** ERM Power Retail Pty Ltd

***Submission Date:*** 29<sup>th</sup> January 2020

# Table of Contents

- 1. Context ..... 3
- 2. MSATS Procedures: CATS Procedure Principles and Obligations ..... 3
- 3. MSATS Procedures: Procedure for the Management of Wholesale, Interconnector, Generator and Sample (WIGS) NMIs ..... 7
- 4. Meter Data File Format Specification NEM12 & NEM13 ..... 8
- 5. Retail Electricity Market Glossary and Framework ..... 8

## 1. Context

This template is being provided to assist stakeholders in giving feedback about the changes specified in the 'NEM Customer Switching' Draft Procedures.

The changes being proposed seek to enable the implementation of efficient delivery of proposed changes to the customer switching process design in the National Electricity Market (NEM).

## 2. MSATS Procedures: CATS Procedure Principles and Obligations

Section	Description	Participant Comments
4.1.3	<p><b>Nomination of multiple roles alongside a change of retailer</b></p> <p>Draft Decision: enable the MC role to be nominated in a 1000 series CR. The MC would not have the ability to object to any such nomination and any incorrect nominations would need to be addressed by the retailer following completion of the customer switch. Should a retailer incorrectly nominate an MC, the retailer can nominate the MC that they have appointed and make the nomination retrospective to the date of the customer switch via a 6000 series CR</p>	<p>We disagree with the restriction to appoint the Initial MC. If there is a network asset on site that is not faulty (this excludes family failures), retailers should be able to nominate the Initial MC to complete the transfer and decide whether a meter churn is required, and if so, which MC to nominate via a 63XX.</p>
4.2.1	<p><b>Notification of a pending role change (Stop save activity) –</b></p> <p>AEMO considers that the removal of the notification will prevent 'save' activity and be beneficial to retail competition and customers, consistent with the ACCC REPI recommendations.</p> <p>Accordingly, AEMO has determined to remove notification to parties</p>	<p>As per our previous submission we agree that save activity should be stopped. However, in our view an outright ban on save activity would be more effective and reduce the likelihood of save activity moving to win back activity, which has been the case in NZ. Any outright ban on win back and</p>

	<p>as originally proposed. Therefore prior to CR completion, notifications related to 1000 series CRs should be limited to:</p> <ul style="list-style-type: none"> <li>• the party raising the CR (e.g. the new retailer); and</li> <li>• parties which are provided with a right within the market framework to object to a role change prior to its completion</li> </ul>	<p>save activity will negate the need for these changes.</p> <p>The change to systems in the manner proposed will not allow retailers to continue to manage the correction of erroneous transfers of their customers – this will lead to an increase in complaints and customer detriment.</p>
<p>4.3</p>	<p><b>Objection to customer switches in Victoria based on a certified debt</b></p> <p>Introduce a new CRC to enable the reversal of a customer switch in place of the current objection mechanism. The CRC will be able to be raised no more than one business day following the completion of a customer switch. AEMO proposes to remove the current objection mechanism and replace it with a process to re-instate the previous retailer following the completion of a transfer in MSATS upon identification of a certified debt.</p>	<p>AEMO’s own statistics reinforce that these instances are immaterial, and we conclude that it is very unlikely that the costs and procedural changes required would result in a positive cost benefit.</p>
<p>4.4</p>	<p><b>Transfer of the FRMP role -</b></p> <p>The NSRD and other Read Type Codes would be retired on the implementation date, but those raised prior to implementation date would be able to be completed using current processes.</p>	<p>It is our view that AEMO needs to sufficiently investigate and address the risks stemming from estimated final bills. We have highlighted our concerns with respect to settlement implications and operational and financial implications of having to readjust customer bills post transfer. We maintain our view that the solution must ensure that the read sent by the MDP to a retailer for billing is that used by the wholesale/network billing process, to ensure alignment between retailer costs and customer invoices. This issue remains and has not been addressed by AEMO.</p> <p>We believe there is way to reduce this risk of customers transferring on inaccurate estimates, benefitting all customer</p>

		<p>types. The risks of manually read estimated transfers are compounded for switches of large business customers that are made up of various small sites (multi-sites). Our proposed solution would particularly be beneficial to this customer group. We suggest that procedures should be amended to only allow switching on an estimate if the last bill read provided to the market was an actual reading. If this is not the case, the customer would be able to quickly switch through a special read. This will limit the occurrence of inaccurate estimates provided as transfer reads. We believe that this could be facilitated with the proposed technical solution under 4.5.1 of having the last read date known and the quality of that read available. If a prospective retailer was to raise an estimated base transfer and the previous read quality was 'estimate', we believe this should automatically produce an error. In response, the prospective retailer would raise a special read in consultation with the customer to affect the transfer. This will greatly reduce the risk of grossly inaccurate estimates, that is, reducing the financial risk of retailers and the additional cost/inconvenience to customers finalising their account.</p> <p>We suggest that this recommended solution would only be applicable to customers with basic meters. This could be achieved via the introduction of the meter type as a parameter into table "4-N – Valid Combinations of Read Type Codes, Metering Installation Type Codes and Change Reason Codes" in the CATS procedures i.e. Read Type Options for Metering Data Types Manually Read Basic, Manually Read</p>
--	--	--

		<p>Interval &amp; Remotely Read.</p> <p>Customers with MRIMs should not be able to transfer via the estimated read process at all as this will always result in a revised final bill – which is not a good customer outcome. In our view such customers should transfer via a special read. We believe that the benefit of this solution outweighs any small potential transfer delay to the customer whilst the special read completes and that the volume of customers impacted would be low (low volumes of MRIMs). We would expect the continuing smart meter roll out to further reduce the number of impacted customers.</p> <p>We note that AEMO has considered extending the retrospectivity beyond the initial 15 days to 3 months, suggesting that this will reduce retailers’ reliance on the use of estimated readings. However, this does not consider the wholesale contract risk of transferring large multi-site customers comprising of many sites. AEMO needs to consider this retailer risk which is unmanageable when numerous small sites are involved in the loss of a large multi-site customer retrospectively, immediately altering the incumbent retailer’s hedging position. The suggestion that this risk can be managed by retailers “retention, marketing and service offerings” does not address this issue.</p>
<p>4.4.3</p>	<p><b>Retaining EI read type</b></p> <p>AEMO will retain the EI read type code as requested by several participants as an alternative to the RR code, and for remotely read metering installations (type 1-4 metering only). Both RR and EI will</p>	<p>We agree with this position as a sensible amendment, allowing the continued use of the EI read type and negating what would have been a cost for retailers in system changes.</p>

	be available for use by the retailer and will have the same effect. AEMO notes that no obligation will be placed on retailers to use EI when there is a 1-4 Meter at the connection point; either read type code (EI or RR) could be used by the retailer to achieve the same result.	
4.5	<p><b>Technical solution for the provision of previous read dates and quality</b></p> <p>Previous reading dates and reading quality should be provided via NMI discovery as proposed in the Issues Paper. Data used to populate the fields will be sourced from AEMO systems, rather than requiring additional data to be provided from MDPs.</p>	We agree with the proposal to affect our recommendation under 4.4 above.
4.9	<p><b>Timing and implementation</b></p> <p>Timeframe - AEMO notes that the next planned schema change is scheduled for early December 2020 to delivery requirements for the five-minute settlement program of work.</p>	We support the delay over the initial proposed change. Our comments on cost benefit test stand given other competing priorities.

### 3. MSATS Procedures: Procedure for the Management of Wholesale, Interconnector, Generator and Sample (WIGS) NMIs

Section	Description	Participant Comments


#### 4. Meter Data File Format Specification NEM12 & NEM13

Section	Description	Participant Comments
Appendix E	Additional Reason Code 67	<p>Retailers require the provision of a Substituted Read for the purposes of a transfer read within two days of the transfer completion date. It is unclear if this is captured.</p> <p>To minimise system changes we require that the read quality should be specified S (Substitute) with reason 67. It is unclear from the document, what read type code should be used.</p>

#### 5. Retail Electricity Market Glossary and Framework

Section	Description	Participant Comments
5. Glossary	Actual Meter Reading	
5. Glossary	Current [Participant/Role]	
5. Glossary	Initial MC	
5. Glossary	Manually Read	

5. Glossary	Meter Data Type	
5. Glossary	New [Participant/Role]	
5. Glossary	Previous Read Date	
5. Glossary	Previous Read Quality Flag	
5. Glossary	Read Type Code	
5. Glossary	Remotely Read	