

26 November 2019



Audrey Zibelman
Chief Executive Officer and Managing Director
Australian Energy Market Organisation
GPO Box 2008
Melbourne VIC 3001

Dear Ms Zibelman

Customer Switching in the NEM – Issues Paper

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Operator (AEMO) on its *Customer Switching in the NEM – Issues Paper* (Issues Paper). This submission is provided by Energy Queensland, on behalf of its related entities Energex Limited (Energex), Ergon Energy Corporation Limited (Ergon Energy) and Ergon Energy Queensland Limited (Ergon Energy Retail).

Energy Queensland has addressed the questions raised in the Issues Paper in the response template attached. We have also provided specific comments on the draft MSATS CATS Procedures in the second response template.

Should AEMO require additional information or wish to discuss any aspect of Energy Queensland's submission, please contact myself or Barbara Neil on (07) 4432 8464.

Yours sincerely

A handwritten signature in black ink that reads "C. G. Martin".

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Encl: Energy Queensland submission on the Issues Paper

CUSTOMER SWITCHING IN THE NEM

FIRST STAGE CONSULTATION

PARTICIPANT RESPONSE TEMPLATE

Participant: Energy Queensland

Submission Date: 26 November 2019

Table of Contents

- 1. Context 3
- 2. Questions raised in the NEM Customer Switching Issues Paper..... 3
- 3. Other Issues Related to Consultation Subject Matter..... 11

1. Context

This template is to assist stakeholders in giving feedback to the questions raised in the issues paper about the proposed changes to the customer switching process design in the NEM.

2. Questions raised in the NEM Customer Switching Issues Paper

Question No.	Question	Participant Comments
1	Does the proposed change, to limit 1000 series CRs to a change of FRMP only, unreasonably restrict a retailer or other party from performing an action as required by the NER? Are there any additional considerations that AEMO has not presented?	Energy Queensland has not identified any impacts from this change and will be able to facilitate the change. Notwithstanding, we have provided specific comments in relation to the draft clauses in the MSATS CATS Procedures in the table in Section 3 below.
2	Are the issues raised by AEMO regarding restrictions being placed on an MCs ability to object to an appointment reasonable?	We consider this is a reasonable approach. However, we note that removing the appointment of MC from the CR1000 avoids the issue.
3	Does the removal of the notification of a pending customer switch unreasonably restrict retailers from being able to comply with the NER or NERR?	As long as the losing FRMP receives the COM notification and there are strong obligations and monitoring on the MDP to publish Meter Reads on the Churn Date, then this restriction is reasonable.
4	Are there any alternative design options that AEMO should consider facilitating prevention of a customer switch by a retailer based on a certified debt, which are consistent with the ACCC REPI recommendations for the removal of the	Energy Queensland offers no comment – not applicable in Queensland.

Question No.	Question	Participant Comments
	notification of a pending customer switch and do not unreasonably delay customer switches in Victoria?	
5	Does the one business day timeframe proposed to enable the raising of the new Victorian certified debt objection CRC reasonably enable retailers to exercise the ability to prevent the customer switch?	Energy Queensland offers no comment – not applicable in Queensland.
6	Should AEMO seek to replace rather than redesign the current CRC with two new prospective CRs? If so, how might transactions ‘in-flight’ be treated upon implementation of the procedure changes and associated system changes?	Energy Queensland supports the retention of the existing CRC.
7	Is there a compelling reason to retain the use of the NSRD in the customer switching process? If so, what are these reasons; and what controls might reasonably be introduced such that its use no longer becomes commonplace and that customers benefit from the ability to access next-day switching?	Energy Queensland does not see a compelling reason to remove the NSRD and notes that there may be value in retaining this as an option subject to certain conditions. We also consider that the removal of notification to the losing Retailer is a more significant change and given that the losing Retailer does not know that a customer is churning, we question whether there is a need to remove NSRD as an option.
8	Is there value in retaining an ability for a prospective change of FRMP role to occur based on a special reading?	We agree to the retention of a prospective change of FRMP role based on a special reading for instances such as where the site has been estimated over a long period of time due to lack of access, or where customers want to switch at a particular date or within a particular window

Question No.	Question	Participant Comments
9	With the NSRD no longer able to be used to facilitate prospective customer switches, is there value in maintaining access to the NSRD in NMI Discovery?	There is value in maintaining access to NSRD in NMI Discovery as it enables the conversation with the prospective customer regarding any potential future bills, and enables a better discussion on future payment and products, etc.
10	How critical is the Read Quality information to the potential use of the Last Read Date for retrospective customer switching?	Energy Queensland considers the Read Quality information is relevant.
11	Are there other matters that AEMO should consider regarding the three options presented, or any alternative options that AEMO might consider?	<p>Energy Queensland suggests that AEMO could consider an option to reuse the NSRD field, but only provide the last read date where the quality flag is Final or Actual. This approach would give Retailers confidence that if that date was within a Retrospective period they could safely churn using that read with minimal impact to settlements.</p> <p>We also suggest that, considering the changes that are required by all Market Participants to their systems to facilitate this change in the short timeframe specified in this document, there should be an option to minimise the impacts as an initial implementation, with the view to implement a schema update at a later date to facilitate the optimum solution.</p>
12	Has AEMO reasonably presented the relevant considerations in relation to using recent readings to support customer switching? Are there any additional considerations that AEMO has not presented?	We agree that AEMO has presented the relevant issues, with the primary issue relating to payment products.

Question No.	Question	Participant Comments
13	Is the proposed 15 business day 'window' in which a recently-obtained metering reading could be used to support a retrospective in-situ customer switch reasonable? Are there additional matters that AEMO might consider in support of a lengthening or shortening of this 'window'?	We agree that 15 days is reasonable for a retrospective in-situ customer switch.
14	Is the proposed inclusion of a retrospective customer switch in the CRC 1000 a preferable outcome to the creation of a new specific CRC for this purpose (linked to questions in section 3.1.2)?	We consider that the introduction of new CRs will increase complexity in the implementation and transitioning process.
15	Is the proposed extension of five business days (from 10 to 15 business days) to the retrospective period within which a CR 1040 may be raised reasonable? Are there additional matters that AEMO might consider in support of maintaining the current 'window', or the lengthening or shortening of this 'window'?	We agree the proposed extension of 5 days is reasonable.
16	Should the use of a recent reading be limited to customers who have manually read metering installations? Smart metering systems should be able to provide readings for a specified date within the last 15 business days (e.g. if a customer with a smart meter can confirm the date of their recent bill is within the last 15 business days, why should the prospective retailer be restricted from retrospectively switching the customer on that date, so that the customer and participants can access the benefits of a retrospective customer switch as described in this section?	The retrospective date limit should be unrelated to meter type. Remotely-read interval meters providing daily data mean that retrospective churns are almost guaranteed. Removing this distinction will also simplify the process and customer communication.

Question No.	Question	Participant Comments
17	Has AEMO overlooked any requirement or reasonable justification for the retention of the five embedded network-specific CRs?	No. It has always been unclear why these needed to be separated, so removing them is supported.
18	Do the changes adequately provide for retailers to comply with the cooling-off provisions and customers' exercising their right to cool-off?	Energy Queensland agrees the changes adequately provide for retailers to comply with the cooling off provisions and customers exercising their right to cool-off.
19	Is the redesign of an existing cooled-off error correction CR preferable to the creation of a new error correction CR for the purpose stated above?	We agree the redesign of an existing cooled-off error correlation CR is preferable. As stated above, introduction of new CR types adds complexity. Further, given that CR1026 is specifically for this purpose, making it match with the intended rule change is logical.
20	What problems, if any, might be caused by the removal of the error correction CRCs 1022, 1027 and 1028?	Energy Queensland has not identified any problems which may arise from the removal of these CRCs. Considering the amount these CRs are utilised, we agree that their removal seems reasonable.
21	Should changes be considered to error correction CRCs 1020, 1021, 1023 and 1029 to better facilitate resolution of issues and errors for customer switching?	Energy Queensland supports the retention of these CRs.
22	Are the changes proposed to the objection codes available to MCs regarding MC role appointment reasonable?	We agree that these changes are reasonable. We also note that the use of MFN messages is not consistent and is often in error. As such we suggest that this particular item be a guideline and not an

Question No.	Question	Participant Comments
		absolute requirement as there are times when the existence of an MFN should not restrict this change.
23	Are there other unreasonable restrictions placed on appointing parties by the MSATS procedures that limit or prevent MSATS role appointment to align with the NER requirements at a connection point that AEMO might consider?	Energy Queensland offers no comment.
24	Are there issues affecting the installation of metering that could reasonably be resolved by reducing the nominated MC's objection timeframe to zero days in MSATS?	<p>We suggest that reducing the objection timeframe will benefit the installation of metering. However, this alone will not resolve the installation of metering as there are other factors that contribute to this issue.</p> <p>We also note that urgent transactions are often complicated by the enforced delay period of objection.</p>
25	Would MCs reasonably be capable of determining whether to object to transfers if the objection period for MC nomination was reduced to zero days?	<p>We suggest that this will depend on whether a system build to implement the full automation of the objection rules for "0" days is achievable. Where CRs are submitted outside of business hours (7am – 5pm), objections could be missed if automation is not achieved within system build.</p> <p>An option to error-correct where an objection may have been missed on the transfer of an MC is required.</p>
26	Are there further suggestions on changes to structure to improve the clarity and accessibility of sections 1 to 6 of the MSATS CATS procedures?	Ergon Energy and Energex have provided separate comments on the MSATS CATS procedures in the section below.

Question No.	Question	Participant Comments
27	Do MSATS Participants believe that the proposed changes materially alter the obligations placed on them within the MSATS procedures?	<p>While the proposed changes are significant in some instances, they do not change the obligation, only the ability to react in some business scenarios.</p> <p>Please also refer to separate comments on the MSATS CATS procedures in the section below.</p>
28	Is the change to the reason code in the MDFF necessary?	We agree the change to the reason code in the MDFF is necessary.
29	Should other changes be considered to the MDFF to accommodate the changes proposed in this Issues Paper?	No comment.
30	Is the rationale described in this Issues Paper regarding the proposed timing for implementation reasonable?	<p>While the explanation appears to be reasonable, we believe that May 2020 is a tight delivery timeframe for the changes being proposed for the whole of the industry. There is system design, build and implementation required to facilitate this change which requires engagement with system vendors, along with a proposed schema upgrade which is a significant piece of work, as noted by AEMO.</p> <p>Industry testing between participants is usually a standard to conduct with these changes and this requires co-ordination. For DNSPs, May is an extremely busy time of the year with yearly tariff rate updates due, and in July 2020 Ergon Energy and Energex will be implementing tariff reforms which will have impacts on Retailers and the Market. Similar challenges also apply to Retailers.</p>

Question No.	Question	Participant Comments
		<p>We suggest AEMO consider consulting with participants to ascertain other deliverables within their business that are required to be met.</p> <p>Changes of this size and nature also need to be budgeted for. Given that the consultation did not commence until July 2019, provisions have not been made for this implementation in the 2019-20 budgets for Ergon Energy and Energex.</p>
31	<p>Are there other considerations or proposals that AEMO might consider regarding the timing for implementation of the proposed changes?</p>	<p>The implementation of the proposed changes coincides with Queensland's storm season, and depending on the severity of the season, this could impact the delivery of this piece of work.</p> <p>Ergon Energy and Energex would prefer a November implementation.</p>

3. Other Issues Related to Consultation Subject Matter – Specific comments on the draft MSATS CATS Procedures

Heading / Clause / Page	Participant Comments
General comment	Ergon Energy and Energex have concerns that some customers may deliberately block access to meter readers to receive lower estimated bills and a new FRMP would have no visibility of this. As such, we suggest an allowance be made to stop a customer who has long term access issues, and has been billed from estimated reads for a long period (11 months or more), from transferring FRMP again on an estimate, or to stop repeated transfers on estimates.
General comment	Ergon Energy and Energex note the MDP has an obligation under the CATS procedure to object and notify the winning Retailer where there is a LARGE site with basic metering before the objection is lifted. It is unclear if this obligation be will removed for both the objection and the notification in this example.
Effective Date / Pg 1	As noted above, Ergon Energy and Energex believe that the proposed implementation date of May 2020 is too soon to incorporate design, code changes, User Acceptance Testing, and market trials, etc., particularly as the consultation will not be finalised until February 2020. This is a significant change to the current transfer process for an MDP, and introduces new CRs that the MDP has to provide. We suggest that November 2020 is a more appropriate implementation date that would align to normal MSATS release schedules and still allow a reasonable lead time.
2.1(e)(ii) / pg 14	As an LNSP, we currently object to a CR6801 if no NOMW has been provided matching the Actual Change Data. However, a NOMW is not a mandatory Market transaction, so it is unclear if AEMO would consider this an invalid reason to Object under these proposed new rules. Further, we would object to a CR6801 if the Actual Change Date on the CR did not align with the read date of the NOMW. We seek clarity as to whether this is also a valid objection.

Heading / Clause / Page	Participant Comments
2.4(m) / pg 18	Throughout these changes AEMO has used the term ‘estimate’ rather than ‘substitution’ when referring to the read required to facilitate a transfer. However, a transfer does not go COM until on or after the proposed date. Therefore, we seek clarity as to whether the expectation is that the MDP would use an “E” reading type, as opposed to “S” reading type, when currently on a BASIC Type 6 meter an “E” read type would normally only be used for a future estimate.
Table 4A / pg 32	We suggest CR1080 be removed as it is no longer valid in later sections of the document.
Table 4M / pg 41	It is unclear what standard Read Type Code a FRMP should use to transfer a COMMS NMI, given the removal of the EI Read Type Code.
Table 4M / pg 41	We suggest that if a read does not exist on the Proposed Date for a PR transfer, then the MDP may object with DATEBAD. However, we note that under the proposed new rules, that read could be of any type (actual, substitution or final).
Table 4M / pg 41	We seek clarity on whether the MDP should retrospectively create a substitution for the date if a CR1000 is raised with an RR Read Type and the Proposed Date is retrospective, but no read exists on that date. A possible alternative may be for the MDP to object with DATEBAD.
6.4(b)(ii) / pg 50	The change to the SP Read Type appears to have removed any link between the date on the B2B request for an SP read and the CR1000 SP Proposed Date, as it now requires the transfer date to be linked to the Special Read Date not the CR Proposed Date. Under the current B2B procedures and Queensland jurisdictional regulations, the LNSP is not obligated to read a meter exactly on the Special Read date. There is an obligation period only – with a -3+2 day window. This new clause seems to have removed any reference to that -3+2 day window and as such, we believe this would require changes to both the B2B procedures and Queensland jurisdictional regulations. We do not support any change in the current B2B timing requirements resulting from this proposal. If the Special Read must only be taken on the Proposed Date, then we suggest there should be a clause that states the CR1000 Proposed Date must match the proposed Special Read Date.

Heading / Clause / Page	Participant Comments
6.4 / pg 50	Ergon Energy and Energex seek to understand the reasoning for the removal of the ability for the MDP to object if the Read Type does not match the Metering Schema Type. It appears that if a UM Read Type is proposed on a COMMS NMI, or an SP Read Type on a COMMS NMI, there would not be a requirement to be able to object, as the FRMP is clearly not aware of the customer's metering.
6.4 / pg 50	Ergon Energy and Energex seek clarity as to whether an Actual Change Date on a CR must correspond to an actual read date in the MDP's system, or whether there are instances where an MDP would need to estimate a read for an Actual Change Date.
Table 6A / pg 50	Ergon Energy and Energex understand the objection logging period on a CR1000 has been removed. We seek clarity as to whether this is because the only valid objection now is a NOACC which can be raised at any time, regardless of the objection logging period. Further, clarity is required from AEMO as to whether NOACC is now only applicable to the SP Read Type.
Table 6B / pg 51	As an LNSP, DNSPs have the ability to object to new FRMPs, using the NOTAPRD code. We have to approve all new Retailers before they can operate within our distribution network area, and this includes ensuring the FRMP has completed a New Retailer Application and operates in accordance with the Default Co-ordination Agreement, which is an annexure to Queensland's Electricity Distribution Network Code. We object to the removal of the NOTAPRD code as it would allow a non-approved Retailer to sign up a customer and we would have no way of reversing the transfer. Similarly, as LNSP we require to be informed at the REQ stage of a CR1000 series transfer in order to facilitate this objection.
6.7 / pg 51	We suggest there is a possible error in this table as the current FRMP would need to be informed that the CR1000 had gone COM and under the proposed changes they would not be aware they have lost the customer.
7.4 / pg 53	It is unclear whether MSATS will complete a validation on the contents of a CR1060, including checking the Previous FRMP, Proposed Change Date and Change Request ID are valid and

Heading / Clause / Page	Participant Comments
	<p>match the previous transfer that this is correcting. If this is not the case, then we believe that the MDP should be allowed to object where those values are incorrect. Further, it is unclear if the MDP is also expected to create a historic estimate where a read does not exist on the Proposed Date. We suggest AEMO also clarify if the Read Type Code in this transaction has any bearing on the process, as we believe it should be a reversal of a previous transfer. The draft procedure does not include a table specifying the valid values of the Read Type Code for this transfer type.</p>
<p>7.4 / pg 53</p>	<p>It is unclear how a new FRMP will know who the previous FRMP is for completing a CR1060, as it is not a value available in NMI Discovery. For example, if a customer was with Origin, it is unclear whether the FRMP know which specific Origin participant that was.</p>
<p>24.4 / pg 103</p>	<p>It is unclear why the MDP has been included as a field on this new CR given that only an MDP can raise it and the MDP must provide their Participant ID.</p>