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25 November 2019

Mr Peter Geers
Chief Strategy and Markets Officer
Australian Energy Market Operator
Level 22, 530 Collins St
Melbourne VIC 3000

Submitted via email to: NEM.Retailprocedureconsultations@aemo.com.au

Dear Mr Geers,

Re: Customer switching in the NEM: Issues paper

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide feedback to the Australian Energy Market Operator (AEMO) on the Issues Paper: Customer switching in the National Electricity Market (NEM) (the issues paper). AEMO and the Australian Energy Market Commission (AEMC) were requested by the COAG Energy Council to recommend a rule change and corresponding Procedural changes in order to effect a faster switching time frame for consumers. Red and Lumo strongly support consumers being able to access products that suit their needs expeditiously.

Noting the above, we are concerned that the appropriate governance arrangements have not been established in order to justify implementing this change, nor would result in the delivery of net benefits to consumers. Specifically, the rule changes that AEMO have requested do not set the framework that requires changes of this magnitude required to the procedures and systems. Red and Lumo urge AEMO to undertake a full, industry-wide cost benefit analysis to understand which solutions deliver the most benefit and the least cost.

Benefits of faster switching

Red and Lumo strongly support retail competition, and customers being able to access their chosen retailer's product promptly. Red and Lumo are not an incumbent retailer and have won all of our customers in the competitive market. We continue to support the goal to improve customer switching times, increase competition and believe that some aspects of the proposed changes will be successful in meeting this goal. Through the introduction of a two business day transfer time, this will allow these customers to access more competitive pricing, better customer service or a value-added product offering sooner.

Cost benefit analysis

The National Energy Retail Objective (NERO) and National Electricity Objective (NEO) both describe the clear need for any potential changes to be efficient and balanced. Specifically, the retail objective in the NERO states:

“to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.”¹

AEMO has provided no clear demonstration how the proposed changes will be efficient and cost effective, and if the proposals are the best option to meet the NERO and the NEO. To properly demonstrate this, it is imperative that AEMO conducts a full cost benefit analysis of the proposed changes. This should incorporate not just the costs for AEMO to implement changes but also for retailers, networks, metering service providers and third party participants and compare it to the expected benefits derived for consumers.

The cost benefit assessment should also take into consideration whether the costs would be different if the change is implemented in May 2020, December 2020 or after 1 July 2021. This consideration is pertinent with the amount of resources dedicated to delivering other market changes, including customer data right, 5 minute settlement and global settlement. These changes have (or will have) fixed implementation dates, whereas this change is discretionary.

Governance

The National Electricity Rules (NER) provides the head of power for AEMO to make and amend the Market Settlement and Transfer Solution (MSATS) Procedures. These are designed to support the functions and obligations placed on participants and AEMO in Chapter 7 of the NER. These include assignment of roles which establish which participants are financially responsible for a connection point and/or its metering installation.

The National Energy Retail Rules (NERR) establish the retail market procedures to support the function of the retail market. The retail market procedures under the NERR include the MSATS Procedures, which for this purpose are designed to facilitate customer transfers and other customer related activities.

As there is no rule that prohibits retailers from being notified that they will lose a customer in a specified time period, nor is there a rule that prohibits retailers conducting save activity, it is

¹ National Energy Retail Law (South Australia) Act 2011, Division 3, Section 13

unclear where the head of power exists for AEMO to prevent this activity. AEMO provided the AEMC a rule change and did not request the establishment of a head of power to allow for this activity to occur. We consider that the procedures established by AEMO must reflect the requirements of the NER and NERR that they are established under.

The Victorian Government has indicated that it, as the policy maker, wishes to prohibit retailers from conducting save activity. In order to implement this, it is creating a regulatory obligation that will mandate particular retailer behaviour. As AEMO is a market operator, we question whether AEMO has an ability to make a policy change of this nature.

Attached to this submission, we provide our positions in terms of the key aspects of the AEMO high level design as presented as part of the rule change proposal provided to the AEMC. In addition, we have addressed the specific questions that AEMO has raised in its issues paper.

About Red and Lumo

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria, South Australia, New South Wales and Queensland, and electricity in the ACT to over 1 million customers.

Should AEMO wish to discuss or have any enquiries regarding this submission, please contact Stephen White, Regulatory Manager on 0404 819 143.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ramy Soussou". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ramy Soussou
General Manager Regulatory Affairs & Stakeholder Relations
Red Energy Pty Ltd
Lumo Energy (Australia) Pty Ltd

Attachment 1: High Level Design

Nomination of multiple roles alongside change of Financially Responsible Market Participant (FRMP)

Red and Lumo do not support AEMO amending the current procedures to remove the ability to nominate multiple participant roles in the market transfer nor the ability for Metering Coordinators (MCs) to object to the nomination and do not believe that the potential benefits outweigh the likely costs.

The process to nominate multiple roles as part of the transfer process was implemented to meet retailer requirements under the contestability in metering reforms as well as the later obligations around the mandatory installation timeframes under 7.8.10(b) of the National Electricity Rules (NER)². Red and Lumo, along with other energy retailers, have invested extensive costs to build automated systems nominating multiple roles in the transfer request as well as automated processes where there is an existing MCs in the role. The choice to undo this extensive work and reconfigure transfer systems to meet new requirements would be extremely expensive (Red and Lumo can provide a confidential estimate of costs upon request from AEMO for the build of the new system proposed separate to this submission).

Furthermore, neither of the proposals put forward by AEMO would be simple to implement and would require extensive rework of existing systems. This goes against the original ethos of AEMO's rule change where it noted that "at a practical and technical level, the proposal utilises existing systems and interfaces and leverages current capabilities and processes. This allows the scale of change, in particular to industry participants' systems, to be minimised."³ This would not leverage existing systems and requires a complete rebuild of a recently built process taking extensive time, high implementation and sunk costs.

Red and Lumo also do not believe that the problem AEMO is seeking to address is widespread enough or causing a long enough delay for consumers to warrant this extensive cost for retailers to redevelop existing systems. While we understand that there are some instances where MC's may object to being appointed to a role these instances are comparatively small (usually involving a retailer MC). We believe that due to the limited benefit and high cost AEMO should not change the current procedures. We further believe that with the proposed amendments to the CR 1026 transfer allowing retailers the confidence to begin transfers upon agreement with consumers during the cooling off period many of these transactions will begin even earlier and be addressed within the cooling off period which will further reduce any consumer impact.

² National Electricity Rules, Version 127, Rule 7.8.10B

³ AEMO, Electricity Rule Change Proposal: Customer Transfers in the NEM, May 2019, p18

Estimate reads as a transfer type

Wholesale settlement, network settlement and retailer billing must continue to align even within the context of faster transfers; this is a key element of the NEM and reflects retailers' role. The use of actual meter data is cornerstone to settlement of the wholesale market, billing of customer invoices and settlement of network charges. It ensures retailers are billing their customers for their actual consumption, and are then billed for the same consumption in the network and wholesale settlements. The proposed change to estimated reads as the basis for a final transfer coupled with the requirements for retailers to adjust bills would fundamentally alter this arrangement and therefore warrants further analysis.

The Australian Competition and Consumer Commission (ACCC) specifically stated in its Retail Electricity Pricing Inquiry (REPI) that the AEMC "should explore ways to enable the use of self-reads to facilitate faster transfer times (and as a less costly process than arranging for a special read) when a person is remaining at the same property."⁴ However, it did not recommend the use of estimated reads to facilitate faster transfers. This is an extension of scope by AEMO, which will generate inefficiencies and create significant risks, with limited benefit for both consumers and retailers. The net result is a poor customer experience and does not meet the NERO or NEO.

The AEMC has looked at the use of estimated reads for customer transfers on numerous occasions and in 2016 it specifically concluded that when "complexity in implementation are taken into account, the Commission now considers the introduction of an additional transfer option using estimated reads is not likely to be in the long term interest of consumers and will not contribute to the achievement of the national electricity objective."⁵ We do not believe that AEMO has put forward any strong evidence as part of its proposal which address any of the aforementioned issues and that these problems will remain in place.

Market notification of customer transfer

Red and Lumo continue to believe that the lack of sufficient examination of the impacts of the proposed changes is likely to have unintended consequences on both consumers and the wider market. Specifically, AEMO have provided no information on how the removal of the notification to retailers of a transfer or the implementation of a retrospective transfer will impact pending service order or metering requests in the market.

Firstly, currently when a retailer raises a disconnections for non payment (DNP) service order

⁴ ACCC, Retail Electricity Pricing Inquiry - Final Report, June 2018, p153

⁵ AEMC, Final Rule Determination, National Electricity Amendment (Using estimated reads for customers transfers) Rule 2017, p i

this is able to be cancelled when a retailer receives a notification of a pending transfer to another retailer. Under the proposed changes a retailer would only become aware of a customer transfer after it has been completed and a new FRMP is in place. Without this notification, the previous retailer would have no opportunity to cancel the pending service order nor would the network likely accept the cancellation request as they are not listed as the current FRMP meaning their automated systems would reject the request.

This creates a regulatory risk for retailers. If the service order completes as requested, and the retailer no longer the listed FRMP at the property, would this be considered a wrongful disconnection by the regulator as it had disconnected a property for which they were not the FRMP? Or would the winning retailer be liable for a disconnection which has taken place against a NMI for which they are FRMP where they have not carried out the required steps prior to the disconnection?

Under the Victorian Government's Energy Fairness Plan the Government have proposed that "criminal penalties are also being upped to \$1 million for energy retailers who mislead or deceive customers, or systematically and wrongfully disconnect households."⁶ Retailers could therefore potentially face criminal penalties for disconnecting customers where they fail to cancel the service order request. This is very difficult to achieve where the retailer has received no notification of a pending transfer out to another retailer.

Secondly, how would the removal of notifications impact a pending meter installation and the requirements around a planned interruption notification (PIN). Currently, retailers have a range of obligations around the installation of a new smart meter including the PIN and the associated power outage for installation. How will the removal of the notification for retailers impact an in flight meter installation and the obligations around the PIN? As previously raised, when retailers receive a notification of a pending transfer they can contact the customer and confirm this is accurate and if so cancel the pending meter exchange. The removal of this notification will likely mean that there will be no opportunity to cancel this request. This would again mean that a retailer may have a pending meter exchange in process and lose a customer to another retailer in this time. If the meter exchange occurred the following day after a transfer with no opportunity to cancel would the new retailer be in breach of NERR rule 59C as the meter had been installed without the proper PIN being issued by the current FRMP?

Red and Lumo are concerned that none of these impacts have been assessed or considered by AEMO in progressing this widespread market change. We believe that the only available avenue to address the above issues is to maintain a one business day notification period to market participants of a pending transfer. This would allow retailers to manage their regulatory risk by being able to cancel pending meter installations or disconnections avoiding both the

⁶ <https://www.premier.vic.gov.au/creating-jobs-and-driving-down-energy-prices/>

negative customer impact as well as the penalties associated.

Changes to facilitate the retrospective transfer process

Red and Lumo believe that the introduction of a retrospective transfer does provide a positive benefit to consumers as well as the wider market and believe that the proposed 15 business day timeframe is a good balance between the interests of participants and consumers when considering the impacts of wholesale as well as networks settlements. Furthermore, we believe that there is no reason that a retrospective customer transfer should be limited to customers with a manually read interval meter. We believe that this transfer process correctly set up with the adequate information published in the market as a new field in the NMI discovery should be available to customers with both a basic and interval meter. We believe that while limiting this option may assist in encouraging customers in taking up smart meters it would disadvantage a large group of existing consumers who still have basic meters and would create a duplication of processes based on meter type that would need to be managed.

However, we believe that retrospective transfers should only be allowed to be completed on an actual meter read allowing allowing certainty for both consumers and market participants involved. We believe that the use of actual meter reads will allow consumers certainty that the last bill from the previous retailer will be the final bill from that retailer and they will not be rebilled once an actual read is received. The use of estimated reads here will only increase confusion amongst consumers as they will not be confident this will be the final invoice. As noted above, we believe that a schema change should be pursued as the best outcome, facilitating the introduction of both the previous read date as well as the read date quality in the NMI discovery process to adequately support this process.

Next Scheduled Read Transfers

Red and Lumo do not see any justification for the removal of the Next Scheduled Read (NSR) transfer option for consumers. AEMOs overarching goal aside from reducing transfer times should also be to improve consumer choice, not reduce it. Some retailers and consumers may choose to transfer on an NSR noting that the date of the transfer is an appropriate time that satisfies the consumer as it potentially meets the timeframe for an end of an agreement, hardship or payment arrangement the consumer already has in place.

Retailers will always be motivated to choose the transfer option that will get the consumer supplied by the retailer in the quickest and most efficient method as this will allow the retailer to start billing the customer. While the next scheduled read may reduce in use over time as consumers become more adapted to the new transfer options available retaining the NSR will facilitate the maximum choice and best outcome for consumers.

Implementation of the proposed changes

While Red and Lumo do support some of the proposed changes put forward by AEMO and believe that they will deliver a range of benefits to consumers we do not agree that with AEMO that proposed changes should be “implemented in line with the May 2020 MSATS release.”⁷ As noted, Red and Lumo would be willing to upon request by AEMO provide a confidential break down of the likely costs of this project as well as the current resources allocated for the introduction of other proposed changes. Currently, the industry is facing a huge range of regulatory changes with fixed implementation dates. Many participants have already dedicated available resources in order to implement 5 minute settlement on 1 July 2021 and global settlements on 1 February 2022. This means that industry are unlikely to have adequate resources to implement market changes when considering other potential regulatory changes prior to the introduction of 5 minute settlements. Particularly as we expect that implementation of the consumer data right is also likely to be required within this window.

AEMO argues that a May 2020 release would be “prior to the industry at large moving focus to implementation of recent settlement rule changes,”⁸ however, this is not the case for Red and Lumo. Regulatory changes are not only crowding out implementation of business improvement changes but industry’s ability to source additional resources available to implement this change (given the allocation of 5 minute settlement resources) will be challenging and costly.

Furthermore, it should be remembered that Australia has one of the highest churn rates compare to other jurisdictions in the world (specifically the UK, France and New Zealand) despite despite these jurisdictions having many of the transfer options in place that are being proposed by AEMO. We therefore believe that by most measurements the market as it stands is currently functioning effectively for customer transfers between retailers. While we agree that many of the proposed changes would improve outcomes for consumers we therefore question the urgency of the change. We believe that AEMO has not adequately assessed the impact of the changes and believe that any implementation date should be at least after the implementation of 5 minute settlement. We believe that the earliest potential implementation date for the proposed changes to be successfully implemented would be November 2021.

⁷ Australian Energy Market Operator, Customer Switching in the NEM: Issues paper, October 2019, p27

⁸ Ibid, p27

Attachment 2: Responses to the questions raised in the issues paper

| Issues | Red and Lumo Preferred Position |
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| Nominations of multiple roles alongside FRMP | See commentary above and responses to the questions below. |
| Changes to the CR Code or the Read type code | Red and Lumo support AEMO pursuing option 2. Retaining the existing CR1000 code with the amendment of only the Read Type code (RR, PR etc) to facilitate and manage the new transfer types in the NEM. |
| Changes to MSATS to facilitate retrospective transfers | Red and Lumo support AEMO pursuing Option 1. We support the introduction of two new fields in the National Meter Identifier (NMI) discovery known as the last read date and quality field. We understand this would require a schema change as well as the introduction of a new CRC to populate the information but support this proposal. |
| Objection to customer switches in Victoria for debt | See commentary above and responses to the questions below. |
| Removal of error corrections CRs and changes to CR1026 | Red and Lumo support the proposal put forward by AEMO to amend the existing retrospective transfers to facilitate the new customer transfer options as well as remove the transfers codes proposed. Red and Lumo do not foresee any issues with the proposed removal of these CRs and believe that the proposed cooled-off error correction CR will be beneficial for both consumers and market participants. |

Participant Response Question

| Question | Participant Comments |
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| 1. Does the proposed change, to limit 1000 series CRs to a change of FRMP only, unreasonably restrict a retailer or other party | Please see Red and Lumo's commentary above on Nomination of multiple roles alongside change of Financially Responsible Market Participant (FRMP). |

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| <p>from performing an action as required by the NER? Are there any additional considerations that AEMO has not presented?</p> | |
| <p>2. Are the issues raised by AEMO regarding restrictions being placed on an MCs ability to object to an appointment reasonable?</p> | <p>Please see Red and Lumo's commentary above on Nomination of multiple roles alongside change of Financially Responsible Market Participant (FRMP).</p> |
| <p>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?</p> | <p>Yes, Red and Lumo believe that the removal of the notification to the market risks retailers wider obligations in relation to both pending service order request to the market and obligations around pending meter exchanges for consumers. We have expanded further on this below.</p> |
| <p>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 notification of a pending customer switch and do not unreasonably delay customer switches in Victoria?</p> | <p>Please see Red and Lumo's commentary on the governance arrangements above.</p> |

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| <p>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?</p> | <p>Red and Lumo are concerned that the full impacts of the removal of the notification have not been properly assessed by AEMO in progressing this widespread market change. We believe that the only available avenue to address the above issues is to maintain a one business day notification period to market participants of a pending transfer. This would allow retailers to cancel pending meter installations or disconnections for non payment avoiding the negative customer impact as well as the penalties associated.</p> <p>Please also refer to Red and Lumo’s commentary on the governance arrangements and Market notification of customer transfer above.</p> |
| <p>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?</p> | <p>Red and Lumo do not support the introduction of two new CRC. Red and Lumo support AEMO pursuing option 2 as proposed. Retaining the existing CR1000 code with the amendment of only the Read Type code (RR, PR etc) to facilitate and manage the new transfer types in the NEM.</p> |
| <p>7. Is there a compelling reason to retain the use of the NSRD in 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?</p> | <p>Red and Lumo do not see any justification for the removal of the Next Scheduled Read (NSR) transfer option for consumers. AEMOs overarching goal aside from reducing transfer times should also be to improve consumer choice, not reduce it. Some retailers and consumers may choose to transfer on an NSR noting that the date of the transfer is an appropriate time that satisfies the consumer as it potentially meets the timeframe for an end of an agreement, hardship or payment arrangement the consumer already has in place.</p> <p>Retailers will always be motivated to choose the transfer option that will get the consumer supplied by the retailer in the quickest and most efficient method as this will allow the retailer to start billing the customer. While the next scheduled read may reduce in</p> |

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| | <p>use over time as consumers become more adapted to the new transfer options available retaining the NSR will facilitate the maximum choice and best outcome for consumers.</p> <p>Please also refer to Red and Lumo’s commentary on the Next Scheduled Read Transfers above.</p> |
| <p>8. Is there value in retaining an ability for a prospective change of FRMP role to occur based on a special reading?</p> | <p>Yes, a special read transfer should be retained by AEMO as a basis for the changing FRMP in the market. Currently, many retailers use a special read to provide consumers with certainty of their transfer date and many consumers have become accustomed to this. AEMOs overarching goal aside from reducing transfer times should also be to improve consumer choice, not reduce it.</p> <p>Please also refer to Red and Lumo’s commentary on the Next Scheduled Read Transfers above.</p> |
| <p>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?</p> | <p>Red and Lumo believe that there is no compelling reason to remove the NSRD and believe that this should be maintained.</p> <p>Please also refer to Red and Lumo’s commentary on the Next Scheduled Read Transfers above.</p> |
| <p>10. How critical is the Read Quality information to the potential use of the Last Read Date for retrospective customer switching?</p> | <p>Red and Lumo support the introduction of two new fields in the National Meter Identifier (NMI) discovery known as the last read date and quality field. We understand this would require a schema change as well as the introduction of a new CRC to populate the information but support this proposal.</p> <p>Red and Lumo believe that retrospective transfers should only be allowed to be completed on an actual meter read allowing allowing certainty for both consumers and market participants involved. We believe that the use of actual meter reads will allow consumers certainty that the last bill from the previous retailer will be the final bill from that retailer and they will not be rebilled once an actual</p> |

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| | <p>read is received. The use of estimated reads here will only increase confusion amongst consumers as they will not be confident this will be the final invoice. As noted above, we believe that a schema change should be pursued as the best outcome, facilitating the introduction of both the previous read date as well as the read date quality in the NMI discovery process to adequately support this process.</p> <p>Please also refer to Red and Lumo’s commentary on the Changes to facilitate the retrospective transfer process above.</p> |
| <p>11. Are there other matters that AEMO should consider regarding the three options presented, or any alternative options that AEMO might consider?</p> | <p>See response to question 10.</p> |
| <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?</p> | <p>See response to question 10.</p> |
| <p>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</p> | <p>Red and Lumo believe that the introduction of a retrospective transfer does provide a positive benefit to consumers as well as the wider market and believe that the proposed 15 business day timeframe is a good balance between the interests of participants and consumers when considering the impacts of wholesale as well as networks settlements.</p> <p>Please also refer to Red and Lumo’s commentary on the Changes</p> |

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| <p>reasonable? Are there additional matters that AEMO might consider in support of a lengthening or shortening of this 'window'?</p> | <p>to facilitate the retrospective transfer process above.</p> |
| <p>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 (liked to questions in section 3.1.2)?</p> | <p>Red and Lumo support the proposal put forward by AEMO to amend the existing retrospective transfers to facilitate the new customer transfer options.</p> |
| <p>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 lengthening or shortening of this 'window'?</p> | <p>Red and Lumo support the extension of this transfer to 15 business days and believe that this provides a balance the interests of participants and consumers when considering the impacts of wholesale as well as networks settlements.</p> <p>Please also refer to Red and Lumo's commentary on the Changes to facilitate the retrospective transfer process above.</p> |
| <p>16. Should the use of a recent reading be limited to customers who have manually read metering installations? Smart metering systems</p> | <p>Red and Lumo believe that there is no reason that a retrospective customer transfer should be limited to customers with a manually read interval meter. We believe that this transfer process correctly set up with the adequate information published in the market as a new field in the NMI discovery should be available to customers with both a basic and interval meter. We believe that while limiting</p> |

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| <p>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?</p> | <p>this option may assist in encouraging customers in taking up smart meters it would disadvantage a large group of existing consumers who still have basic meters and would create a duplication of processes based on meter type that would need to be managed.</p> <p>Please also refer to Red and Lumo’s commentary above on Nomination of multiple roles alongside change of Financially Responsible Market Participant (FRMP).</p> |
| <p>17. Has AEMO overlooked any requirement or reasonable justification for the retention of the five embedded network-specific CRs?</p> | <p>Red and Lumo have no comment on this change.</p> |
| <p>18. 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?</p> | <p>Red and Lumo support the redesign of the cooled-off error correction CR to the creation of a new error correction CR. Red and Lumo believe that the existing CR with some amendments will achieve the desired outcome.</p> |
| <p>19. What problems, if any, might be caused by the removal of the error</p> | <p>Red and Lumo support the proposal put forward by AEMO to amend the existing retrospective transfers to facilitate the new customer transfer options as well as remove the transfers codes</p> |

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| <p>correction CRCs 1022, 1027 and 1028?</p> | <p>proposed. Red and Lumo do not foresee any issues with the proposed removal of these CRs and believe that the proposed cooled-off error correction CR will be beneficial for both consumers and market participants.</p> |
| <p>20. Should changes be considered to error correction CRCs 1020, 1021, 1023 and 1029 to better facilitate resolution of issues and errors for customer switching?</p> | <p>Red and Lumo do not see any reason to amend these retrospective CRs as these already provide a range of existing functions in the market.</p> |
| <p>21. Are the changes proposed to the objection codes available to MCs regarding MC role appointment reasonable?</p> | <p>Red and Lumo do not support AEMO amending the current procedures to remove the ability to nominate multiple participant roles in the market transfer nor the ability for MCs to object to the nomination and do not believe that the potential benefits outweigh the likely costs. Red and Lumo have expanded on our concerns with this proposed change and the impact on systems as well as the wider costs below.</p> <p>Please also refer to Red and Lumo’s commentary above on Nomination of multiple roles alongside change of Financially Responsible Market Participant (FRMP).</p> |
| <p>22. 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?</p> | <p>See response to question 21.</p> |
| <p>23. Are there issues affecting the installation</p> | <p>See response to question 21.</p> |

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| <p>of metering that could reasonably be resolved by reducing the nominated MC's objection timeframe to zero days in MSATS?</p> | |
| <p>24. 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> | <p>Red and Lumo have no comment on this change. However, please note that we do not consider that this change is warranted.</p> |
| <p>25. Are there further suggestions on changes to structure to improve the clarity and accessibility of sections 1 to 6 of the MSATS CATS procedures?</p> | <p>See response to question 21.</p> |
| <p>26. Do MSATS Participants believe that the proposed changes materially alter the obligations placed on them within the MSATS procedures?</p> | <p>Yes. Please refer to submission above.</p> |
| <p>27. Is the change to the reason code in the MDFF necessary?</p> | <p>Red and Lumo do not believe that changes to the MDFF reason code are necessary. However, as part of the cost benefit analysis proposed we request AEMO clarify the potential impact to a change to the reason code in the MDFF. This will allow Red and Lumo to confirm our support or otherwise, and provide information to AEMO on the likely impact of a change to the reason code in the MDFF.</p> |

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| <p>28. Should other changes be considered to the MDFF to accommodate the changes proposed in this Issues Paper?</p> | <p>See response to question 27.</p> |
| <p>29. Is the rationale described in this Issues Paper regarding the proposed timing for implementation reasonable?</p> | <p>No. Please refer to Red and Lumo's commentary on the implementation of the proposed changes above.</p> |
| <p>30. Are there other considerations or proposals that AEMO might consider regarding the timing for implementation of the proposed changes?</p> | <p>Yes. Please refer to Red and Lumo's commentary on cost benefit analysis and the implementation of the proposed changes above.</p> |