

5 July 2018



Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2499
Sydney South NSW 1235

Dear Mr Pierce

ERC0240 Global Settlement and Market Reconciliation Rule Change Request

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) regarding its Global Settlement and Market Reconciliation Rule Change Consultation Paper.

The attached submission is provided by Energy Queensland, on behalf of its related entities, including:

- Distribution network service providers (DNSPs), Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy Network);
- A regional service delivery retailer, Ergon Energy Queensland Limited (Ergon Energy Retail); and
- Affiliated contestable business, Yurika Pty Ltd (Yurika).

Ergon Energy Retail does not have any significant concerns with AEMO's proposed rule change to apply a global settlement framework to the retail side of the wholesale market. This has not been a substantive issue for Ergon Energy Retail, as such, it is difficult to comment on the benefits of allocating the 'unaccounted for energy' (UFE) across all retailers in a local area. However, we note that the New Zealand case study presented in the consultation paper positively demonstrates the reductions in the UFE since applying a global settlement framework and is a more equitable approach to sharing UFE costs.


In terms of AEMO's proposed high level design for global settlement, EQL supports the model proposed, in so far as it does not allocate UFE costs to DNSPs. However, we do not support providing individual metering data at a NMI level for types 5-7 metering installations to the MDFF NEM 12 and NEM13 formats used in settlement. In the event that the rule change is successful, we would support continuation of the existing settlement process where data is aggregated to the TNI level.

Although not going so far as to recommend a start date for the proposed rule change, we caution adopting AEMO's recommendation that the IT system capability is developed in alignment with the five minute settlement project. This is because businesses may have already committed to project plans and resource allocation for the five minute settlement rule. Also, until more detail is provided it is difficult to ascertain what the final IT build is and associated costs in order to support this rule change.

Finally, in respect of non-market generators, we agree with AEMO that if the rule were to be made, that the arrangement for non-market generators be extended to all market customers.

Should you require additional information or wish to discuss any aspect of Energy Queensland's submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely



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