



2 April 2019

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Attention: Kate Reid

Dear Mr Pierce

Updating the Regulatory Frameworks for Embedded Networks

Origin Energy appreciates the opportunity to provide a supplementary submission in response to the Australian Energy Market Commission's (AEMC) Updating the regulatory frameworks for embedded networks, Draft report (EMO0036).

The purpose of this submission is to provide the AEMC with additional views regarding how customers should be engaged by retailers and embedded network service providers (ENSPs) to ensure they are provided with every opportunity to obtain the best deal for their individual circumstances.

As we raised in our original submission, to enable customers to access the best offer for their circumstances, it is essential that the customer is made aware of all available offers. In this regard, when a customer in an embedded network is seeking a supply contract, they must be made aware of their status and their ability to obtain services as either an off-market embedded network customer or an on-market customer. Our further views are set out below.

Informing the Customer of their Supply Options

We note that there are already certain obligations on an Embedded Network Operator to inform customers about their supply arrangements and their status as an embedded network customer. However, we believe the new regulatory framework needs to make it explicit that a customer located in an embedded network is informed of their status as an embedded network customer at the time they receive a market offer from a market retailer. It is especially important that this notification is provided to customers in a new embedded network to ensure that the off-market retailer has a reasonable opportunity to provide an alternative offer to their customers.

To enable the retailer to meet this notification obligation, the status of the NMI for a site should make clear the site is in an embedded network or that there should be an identifier within the NMI itself.

What information should be available to an Embedded Network Customer

The messaging obligation on retailers ought to require the retailer to advise the customers that: 1) the customer may be able to obtain a better price by remaining as an off-market customer; and 2) there may be changes to the customer's meter by accepting a market offer which may result in additional costs. This notification should be provided through "any appropriate means" provided that it is in a format and including such information to enable the retailer to answer enquiries from the customer.

To ensure customers located in an embedded network can make fully informed decisions, it is necessary that they are able to access and compare all the supply options available to them in an easily accessible manner. In this regard, the off-market retailer for an embedded network should have the option, but not the obligation, to include their offers on Government portals such as Energy Made Easy.

Equal Ability to Retain Customers

Under the current and proposed framework, the off-market retailer does not have the same opportunity to win back a lost customer as a market retailer. To ensure the off-market retailer is treated equally, the details of a customer who has accepted a market offer should be visible to the off-market retailer. Currently the embedded network manager function is ringfenced from sharing customer details with the embedded network operator when allocate NMI requests are made. The new framework should have provision for the off-market retailer to receive a market notification that its customer has taken a market offer with another retailer so they have an opportunity to provide an alternative offer; as currently exists for market retailers.

Closing

Origin strongly supports the AEMC's proposal to elevate embedded networks into the national framework. We believe that a market framework that allows consumers to easily choose the retail product that best meets their needs will drive competition and efficiency.

If you have any questions regarding this submission, please contact Sean Greenup in the first instance on (07) 3867 0620.

Yours sincerely

Jonathan O'Kane
Manager, Embedded Networks & New Property Channel