

3rd April 2019



To: Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Active Utilities Pty Ltd
ABN 43 818 767 917

40 English Street, Essendon Fields
Victoria, Australia 3041
Telephone: 1300 587 623
info@activeutilities.com.au
www.activeutilities.com.au

To Australian Energy Market Commission

Re: Active Utilities Pty Ltd (AU) Submission on Consultation Paper: National Gas Amendment (Recognition of exempt sellers in retail market) – Rule 2019 – Reference GRC0053

Thank you for the opportunity to comment on AEMC's Consultation Paper on the National Gas Amendment on the recognition of exempt sellers in the retail market.

Active Utilities agree and welcomes the recognition of exempt sellers in the retail market but would appreciate further commentary around the application of the regulatory framework for embedded networks, if any, for exempt gas sellers and more information relating to the full implementation of the FRC Hub for exempt sellers.

Active Utilities have also provided some further discussion points and queries in relation to this proposed amendment.

If you require any further information in relation to this submission, please don't hesitate to contact me.

Kind Regards,

A handwritten signature in black ink, appearing to read "Kyle Johnson".

Kyle Johnson
Compliance & Risk Manager
Active Utilities Pty Ltd

Recognition of exempt sellers in retail market

AEMO has proposed a rule change to amend the NGR so that it recognises exempt sellers under the National Energy Retail Law (NERL). Active Utilities welcomes the rule change request.

Active Utilities also agree that this rule change is non-controversial but would appreciate further commentary around the application of the regulatory framework for embedded networks, if any, for exempt gas sellers.

Recognising exempt sellers selling gas to third parties in the NGR

Active Utilities agree with AEMO's consideration that exempt sellers should be treated like retailers in the way they interact with the market and should be able to register as retailers in the same way as authorised retailers. As mentioned, Active Utilities would like further feedback on how the exemption registration would occur and if there will be any alignment to the current proposed regulatory framework for embedded networks.

Recognising the exempt seller regime in the NGR in Victoria

Active Utilities note that AEMO has also proposed a solution that notionally would enable all exempt sellers under the NERL to be able to register as retail gas market participants in Victoria.

Active Utilities would like to inquire if the Essential Services Commission (ESC) or any other relevant bodies, have been consulted in relation to the rule change that would 'recognise exempt sellers in the retail market'.

Delayed implementation

AEMO has indicated that the proposed rule, will necessitate minor consequential amendments to the Retail Market Procedures. Active Utilities agree with the proposed delayed implementation of the rule (if made) to allow AEMO a suitable amount of time to consult on and make the required changes to the Retail Market Procedures. Active Utilities request that this implementation is conducted in a transparent manner, considering relevant stakeholders' opinions and concerns when making these changes.

Achieving the NGO

Active Utilities believe this rule will, or is likely to, contribute to the achievement of the national gas objective (NGO), to promote efficient investment in, and the efficient operation and use of, natural gas services for the long-term interests of consumers of natural gas.

Consultation Paper: Questions

1. Do you agree with AEMO's assessment of the costs and benefits of making the rule:

Active Utilities agree with AEMO's assessment of the benefits for making this rule; it will allow more competition to enter the retail gas market, which will serve the long-term interests of consumers of natural gas.

However, Active Utilities reserves our assessment of costs in relation to the rule without conducting further analysis on the FRC Hub integration and other associated costs with the restrictions of purchasing natural gas from a licensed gas retailer as opposed to the wholesale market.