

4 July 2019

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Dear Mr Pierce,

Consultation Paper on Rule amendments to Five Minute Settlements and Global Settlement

Recent Five Minute Settlements and Global Settlement and Market Reconciliation rule changes represent very significant market reforms for the National Electricity Market (NEM). The implementation of these new rules will substantially change the way retailers, distributors, metering data providers operate with AEMO and each other.

The Rule amendments proposed by AEMO address inconsistencies between the rules and market design, and remove unnecessary changes to calculating marginal loss factors.

AusNet Services appreciates the opportunity to make this submission on the consultation paper and welcomes the treatment as a non-controversial rule change, on the basis the changes are well understood in nature and are correcting inconsistencies in the market design. The changes to remove retailer financial responsibility for transmission and distribution boundary points are important and would resolve uncertainty for the responsibility of contracting the metering coordinator for such sites.

However, the need for further Rule amendments and the inconsistencies addressed by the amendments has reduced the timeframe for organisations to complete the work programs required to implement necessary IT system changes in support of the Five Minute Settlements and Global Settlement and Market Reconciliation rules. On this basis, we recommend the consideration of a delay to the rule effective start date by six months.

In the context of this very significant, once in a decade, change to NEM retail market and wholesale market operating arrangements, the six months delay would not be a major disruption. Other market reforms, such as the DER Register, AEMO and B2B Procedure changes, changes to reduce switching times and ACCC energy data access arrangements, are being conducted in parallel over the same timeframe. The significant risks of organisations not being ready have also been discussed at the 5MS Program Consultative Forum hosted by AEMO.

If you have any queries on our submission, please do not hesitate to contact Justin Betlehem on 03 9695 6288.

Yours sincerely,



Greg Hannan
Manager Economic Regulation