

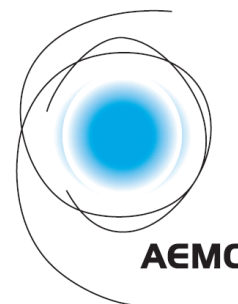
Agenda

Wholesale demand response mechanism – draft determination workshop #1

Friday 16 August 2019
10:00am – 2:30pm (AEST)

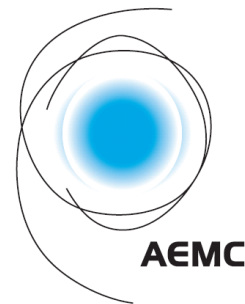
AEMC offices
Level 6, 201 Elizabeth St, Sydney, 2000, NSW.

Time	Item	Presenter
10:30am	Welcome and opening remarks	Michelle Shepherd, Commissioner
10:40am	<p>Settlement process and reimbursement rate</p> <p>The Commission will provide a brief overview of the settlement process under the draft rule. (10 min)</p> <p><u>Clarifying questions</u></p> <p>Attendees will be able to ask clarifying questions about this aspect of the draft determination and rule.</p> <p><u>Feedback</u></p> <p>The Commission will facilitate a discussion with attendees for them to provide feedback on the settlement model in the draft rule. Some indicative areas we are interested are:</p> <p>What do retailers think of the settlement model introduced under the draft rule? In terms of impacts on retailers, how does it compare to the model set out in the rule change requests submitted by PIAC, TEC and TAI, and the South Australian Government? Is there an alternative model that we should consider?</p> <p>Would retailers need to change their systems to accommodate the draft rule? What would these changes entail, both in terms of time and resources?</p> <p>Does the reimbursement rate allow retailers to recover hedging costs? If not, how could it be improved? What other ways could impacts on retailer hedging be mitigated? Are there other costs that the rate should speak to?</p>	Mitchell Shannon, Adviser
11:50am	<p>Baselines and provision of information to retailers</p> <p>The Commission will provide a brief overview of the arrangements relating to baselines under the draft rule. (10 mins)</p> <p><u>Clarifying questions</u></p> <p>Attendees will be able to ask clarifying questions about this</p>	Declan Kelly, Adviser



Agenda

	<p>aspect of the draft determination and rule.</p> <p><u>Feedback</u></p> <p>The Commission will facilitate a discussion with attendees for them to provide feedback on baselines and information provision in the draft rule. Some indicative areas we are interested are:</p> <p>Do retailers have views on the approach under the draft rule to assessing baselines during classification and in an ongoing sense? Is there anything missing that should be included?</p> <p>Will the option for any party (including retailers) to propose a baseline methodology be a useful measure? Are retailers likely to do so?</p> <p>What are the impacts of the mechanism on retailers' ability to manage exposure in the wholesale market? Is there information retailers would need to manage these risks that they are not able to access under the draft rule?</p>	
12:45pm	Lunch	
1:30pm	<p>Implementation</p> <p>The draft rule set an implementation date of 1 July 2022 for the wholesale demand response mechanism.</p> <p>The Commission will facilitate a discussion on the implementation date.</p> <p><u>Feedback</u></p> <p>To the extent retailers are required to change their systems, does this align with the implementation date in the draft rule? If not, why not?</p> <p>To the extent retailers have to adjust their hedging positions and interactions with consumers, does this align with the implementation date? If not, why not?</p>	Declan Kelly, Adviser
1.45pm	<p>Small customers</p> <p>The draft rule places a prohibition on the participation of small customers in the mechanism.</p> <p>Putting aside the question of consumer protections, we wish to explore the practicality of extending the mechanism to small customers. The Commission would like to explore the following question in relation to this topic.</p> <p><u>Feedback</u></p> <p>What changes would retailers need to make to accommodate</p>	Declan Kelly, Adviser



Agenda _____

	small consumers participating the mechanism <i>in addition</i> to large consumers? How long would these additional changes take to implement? What other 'system' type changes should the Commission be mindful of?	
2:00pm	Other questions and feedback In this session stakeholders can raise other questions and feedback in relation to the draft rule and draft determination.	Mitchell Shannon, Adviser
2:25pm	Closing remarks and next steps	Michelle Shepherd, Commissioner