

3 February 2022

Australian Energy Market Commission  
GPO Box 2603  
Sydney South NSW 2001

Submitted via AEMC website

Dear Edward,

### **Consultation Paper – Improving consultation procedures in the Rules – ERC0323**

PLUS ES welcomes the opportunity to provide feedback to the Australian Energy Market Commission's (AEMC) Consultation paper for the proposed rule change - **Improving consultation procedures in the Rules – ERC0323**

PLUS ES agrees that current obligations mandating consultation procedures are somewhat rigid and do not provide the flexibility that is appropriate or aligned to the context and complexity of the consultation.

PLUS ES does not support the default 'one round of consultation' proposal put forward by the proponents of the rule change in favour of the two round consultation. We disagree that it will deliver a more efficient, effective, and appropriate approach in every consultation. Our concern is that it will achieve the exact opposite with the potential to increase operational costs, complexity and further reduce transparency for larger impact consultations.

PLUS ES has provided the below suggestions/feedback for AEMC's consideration:

- Administrative/Manifest changes –
  - These changes require more simplified processes and increased flexibility with respect to timeframes and engagement approach compared to the more detailed and complex consultations.
  - There needs to be transparent communications to impacted stakeholders.
  - The decision on whether to proceed to a consultation stage beyond the first round should be a combined determination between the proponent/facilitator of the changes and market stakeholders during the first round.
- Industry procedure changes – non-administrative changes:
  - PLUS ES does not support a default **one consultation round** approach.

There are always potential impacts that individual participants may have not considered until another party raises a valid and stakeholder supported concern.

A consultation must provide a mechanism which enables industry stakeholders to review feedback and provide additional comments, as applicable, before procedures are finalised.

- Furthermore, PLUS ES supports the industry having the ability and flexibility to increase the number of consultation stages, as required for large and more complex changes. Allowing a flexible timeframe between each consultation stage, proportional to the complexity and the impact of the changes would enable stakeholders to apply due diligence to the proposed changes to mitigate additional consultations. A good example of where the industry would have benefited from additional consultation stages is the recent MSDR consultation. Even before the final procedures were published, concerns were raised and AEMO's ERCF team received change requests on consultation items such as Controlled Load enumerations. Instead with the current rigid requirements on consultation cycles, these items had to be incorporated into the next consultation cycle causing a delay and known gaps for the industry participants preparing for the go live.
- Increasing transparency to streamline consultation processes: PLUS ES proposes an additional consultation step which should deliver efficiency, reduce resource effort overall and increase transparency.

Following industry submissions, the decision maker to engage the industry stakeholders in a feedback review session. These sessions to be a formal consultation tool – minuted for transparency. The potential benefits:

- Stakeholders familiarising themselves with industry feedback/concerns.
- Opportunity to provide additional detail and providing peers the opportunity to validate/support the comments as applicable, in conjunction with the decision maker.
- Ability for different stakeholders being able to provide different views and impacts which they had not identified or did not articulate well in the written consultation feedback.
- Allowing the decision maker to seek clarifications in a group forum to support their determinations.
- Increasing the transparency of the decision makers determinations to

mitigate confusion and support the delivery of efficient outcomes.

- Reducing the requirement for one on one meetings.
  - Mitigating potentially replicated feedback or requirements for further feedback – The intent is for the concerns to be addressed and potentially resolved during the feedback forums.
- PLUS ES recommends that industry stakeholders in conjunction with the decision maker should provide input when determining if additional consultation steps are required for a better outcome as part of the standard consultation process. This would be underpinned by a defined set of criteria to avoid any doubt or ambiguous scenarios.
  - *One on one* meetings: PLUS ES support that *one on one* meetings contribute an important role to the consultation outcomes, especially in commercial/competitive environments. A more streamlined, efficient and transparent consultation process should reduce the *one on one* meeting frequency.

The requirement for *one on one* meetings will not be completely mitigated by process enhancements and hence PLUS ES does not support the removal of the specific provisions which enable them.

- Publication of amended procedures should always be before the effective date, including those procedure changes deemed as administrative/manifest. Whilst these procedures may not require Market changes, a business may require operational process changes to ensure they remain compliant.

For the above reasons, PLUS ES does not support the publication of an amended procedure **on** its effective date. Additionally, we recommend flexible and appropriate timeframe allowance between publishing the final documents and the effective date, proportional to the scope of changes.

- General Consultation Notices – It has been proposed to remove ***impractical requirements for consultation notices to be provided to individual participants of other parties other than by publication on the AEMO, AER or AEMC website.***

PLUS ES support that the most efficient and better outcomes are achieved by engaging all the appropriate market stakeholders. If general consultation notices were to cease and there was a reliance only on the website publication, there is a risk that stakeholders could miss a consultation. Businesses rely on the trigger to check for updates to the websites. The missed opportunity for engagement could potentially cause downstream inefficiencies resulting ultimately in additional costs for the industry,

such as poor customer outcomes, further industry procedure changes, re-engineering business /system processes etc.

For the reasons above PLUS ES does not support the removal of general consultation notices to individual participants of other parties, especially if parties have expressed interest in receiving such communications.

- PLUS ES would also like to itemise an additional challenge which has been experienced in the last few years with respect to consultation outcomes. Due to the dynamic changing landscape of the industry and the resulting volumes of consultations, we have seen instances of “stacking up” procedure changes. That is, several changes consulted in parallel changing the **same** instruments. Whilst the necessity is understood, it is very challenging to undertake a comprehensive review of parallel consultations if one cannot review any pending changes with those currently proposed.

There is an increased risk that:

- outcomes of parallel consultations would conflict with proposed consultation changes and/or
- reviewers of the documents potentially miss the scope of changes

To minimise the above impacts, PLUS ES propose that industry bodies facilitating changes should make determinations available in consequent consultations in ascending order of the effective date. For example, if change A is to be after change B and neither published yet then change A must have change B amendments included in mark up, clearly identified as earlier unpublished changes, whilst also allowing the reviewer to clearly identify the specific proposals of change A.

PLUS ES would welcome any further discussion in relation to this submission.

If you have any questions or wish for further discussion, please contact Helen Vassos on 0419 322 530 or at [Helen.vassos@pluses.com.au](mailto:Helen.vassos@pluses.com.au).

Sincerely,



**Darren Ferdinands**

Head of Metering - PLUS ES