

14 September 2022

Australian Energy Market Commission
Level 15, 60 Castlereagh St
Sydney NSW 2000

Reference: RRC 0046

Submitted online via: <https://www.aemc.gov.au/contact-us/lodge-submission>

Dear Sir/ Madam

National Energy Retail Amendment (Delaying Implementation of the AER Billing Guideline) Rule 2022

Thank-you for the opportunity to provide a submission in response to the consultation paper titled “National Energy Retail Amendment (Delaying Implementation of the AER Billing Guideline) Rule 2022”.

Momentum Energy Pty Ltd (Momentum) is an Australian operated energy retailer, owned by Hydro Tasmania, Australia's largest producer of renewable energy. We pride ourselves on providing competitive pricing, innovation and outstanding customer service to electricity consumers in Victoria, New South Wales, South Australia, Queensland, the ACT and on the Bass Strait Islands. We also retail natural gas to Victorian customers.

1. Recent Energy Market Challenges

The past five months has been a significant challenge for most retailers in the National Energy Market (NEM), including Momentum, with the “perfect storm” of events resulting in very high energy prices which led to the administrative price cap being triggered and the subsequent suspension of the market. A number of retailers have suggested that their customers to leave and some retailers have withdrawn from the market and are not actively seeking new customers. Since May 2022, six retailers have exited the market under the retailer of last resort framework. The full cost of the market suspension and administration events are yet to be determined by the Australian Energy Market Operator (AEMO) and the Australian Energy Market Commission (AEMC) and yet to be passed through to retailers. The electricity market in the NEM has been price regulated since July 2019 restricting retailers

from passing through unintended market costs causing a significant financial burden on retailers with no certainty that these cost will be effectively recovered.

2. Support for Rule Change

Momentum is of the view that the rule change, to delay the latest implementation date of the Australian Energy Regulator (AER's) Billing Guideline (Guideline) from the 31 March 2023 – 30 September 2023, will provide some flexibility for both resourcing this comprehensive change to our billing systems and funding the activity as it would move the cost across two financial years. The implementation delay would assist Momentum in its management of a number of other complex changes that are also scheduled for delivery over the next 14 months such as:

1. Market Settlement and Transfer Solution (MSATS) Standing Data Changes Phase 2 – November 2022;
2. Business to Business (B2B) Procedures V3.7 Update – November 2022;
3. NSW Peak Demand Reduction Scheme – 1 November 2022;
4. B2B Procedures v 3.8 – May 2023 with pre-solution development occurring 6 months prior; and
5. Consumer Data Right (CDR) for Tier 2 retailers – November 2023 with pre-solution development occurring 12 months prior.

We note the letter of support attached to this rule change by the AER. It is our view that a delay in the implementation of the billing guideline will not substantially or financially impact consumers. The Guideline will not improve the affordability of energy bills rather it's intended to make them more consistent and simple to understand.

Momentum fully supports this rule change and we look forward to it being approved as it will significantly assist our business to deliver the changes required. Should you require any further information regarding this submission, please don't hesitate to contact me on 0478 401 097 or email randall.brown@momentum.com.au

Yours sincerely

[Signed]

Randall Brown
Head of Regulatory Affairs