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16 February 2023

Ms Jessica Curtis
Australian Energy Market Commission
Level 15
60 Castlereagh Street
Sydney NSW 2000

Unlocking CER Benefits Through Flexible Trading - Rule Change Proposal

Dear Jessica

Thank you for the opportunity to respond to the Rule Change consultation paper.

South Street Energy supports the current market design, which already allows for the operation of a multi-trader market by way of secondary settlement points and subtractive metering behind the customer's primary settlement point.

There are no regulatory barriers preventing the establishment and operation of secondary settlement points, through which South Street Energy presently services small and large customers, to enable market participation.

Collectively, South Street Energy's customers have earned hundreds of thousands of dollars more than they would have received through their traditional, single, retailer relationships alone.

South Street Energy sees no reason for the establishment of a Private Metering Arrangement and NMI Service Provider framework, as proposed by AEMO, which only duplicates the Embedded Network and Embedded Network Manager framework that is already in place and works adequately.

Embedded Networks are Private Metering Arrangements that enable the purchase and resale of electricity to consumers. Embedded Networks have nothing to do with networks at all, they are metering and settlements arrangements.

Embedded Network Managers are provided allocations of NMIs by AEMO and apply them to secondary settlement points within Embedded Networks.

To service its customers, South Street Energy engages Metering Coordinators to establish secondary settlement points by installing market compliant smart metering on the relevant circuits, and engages Embedded Network Managers to assign NMI and register them in MSATS.

The current market design supports and fosters the development of innovative products and services, enabling customers to reduce energy costs and optimise the value of their energy resources.

South Street Energy agrees that consumers are prevented from accessing the full value from their investment in behind the meter energy resources having one connection and settlement point with a single service provider.

The benefit of multiple settlement points is that it allows new service providers, like South Street Energy, to specialise and offer new and innovative services directly to end consumers.

South Street Energy has developed solution designs for distributed energy resources, including small scale solar, wind and bio-gas generation systems, centralised hot water services, battery storage systems and electric vehicle charging networks - all focussed on maximising the value of energy flows for customers by reducing the cost of load or improving the price for export.

As South Street Energy is not subject to network tariffs at any of its secondary settlement points, South Street Energy does not recover costs from its customers in relation to network tariffs.

Network costs are always allocated at the primary settlement point.

South Street Energy agrees with AEMO that as energy volumes and demand thresholds at the primary settlement point remain unchanged, whether there is a secondary settlement point or not, there is no impact on the network revenues of the Local Network Service Provider. Neither is there an alteration to the network billing between the Local Network Service Provider and retailer responsible for the primary settlement point, nor between the retailer and the customer at the primary settlement point.

South Street Energy acknowledges that its services reduce the saleable energy flows and revenues of the retailer at the primary settlement point. This is fair and reasonable competition between two energy trading entities.

South Street Energy would consider it unfair if barriers were introduced to prevent it from freely establishing secondary settlement points and as it does now.

While South Street Energy has not encountered such behaviour, we agree with the AEMC that retailers at primary settlement points could attempt to stifle competition by adding terms and conditions to prevent customers from entering into alternate trading relationships, or to penalise them financially for doing so. Retailers may also fail to subtract load from the primary energy bill so that they are billed twice for the same energy.

Such would be an abuse of market power, and South Street Energy considers it reasonable to include in the National Electricity Retail Rules provisions that prevent retailers from including anti-

competitive clauses in its terms and conditions, and allowing customers to refuse a bill where the retailer has not subtracted load.

The current market design supports all required data flows between parties, via MSATS and the B2B Hub.

Average daily loads are available to prospective participants for primary and secondary settlement points using NMI Discovery.

Metering data collected from each secondary settlement point is provided to all market participants by the Metering Data Provider as required by the Metrology Procedures and AEMO Service Levels.

In order to provide metering data to the retailer at each primary settlement point, they are identified in MSATS as the Local Retailer for each secondary settlement point, and this is maintained whenever there is a change in retailer at the primary settlement point. The retailer at each primary settlement point is also maintained as the Retailer of Last Resort for each secondary settlement point.

In conclusion, South Street Energy considers that current rules and regulations are fit for purpose in relation to establishing and operating sub-connection points and offering flexible trading arrangements.

Sincerely,



Peter Sertic
Client Relationship Manager
South Street Energy