

3 October 2024

Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Project Reference Code: ERC0384

Dear Ms Collyer

Shortening the settlement cycle

Yurika welcomes the opportunity to provide feedback to the Australian Energy Market Commission (AEMC) in response to its draft determination on *Shortening the settlement cycle*. Yurika operates across Australia and provides a range of services, including safe, sustainable and compliant metering solutions for residential customers, small to medium enterprises, embedded networks and commercial and industrial businesses.

Yurika echoes the concerns raised by other stakeholder submissions to the AEMC's consultation paper in relation to the impact shortening the finals settlement window to 11 days will have on meter data accuracy. The process for investigating National Meter Identifiers (NMIs) with communication faults can be lengthy due to a number of external factors such as access issues to premises and delays with scheduled service provider resources. Yurika is of the opinion that shortening the final settlement window will not allow sufficient time for investigation, scheduling and resolution of communication faults by Metering Data Providers (MDPs), which will compromise meter data accuracy.

Shortening the settlement cycle may also have unintended consequences, such as impacting the integrity of business practices where NMIs have genuine communication faults. By shortening the settlement cycle, there is less incentive to investigate a NMI with a genuine communication fault, as the missing data may already be finalised and published to market participants. This could potentially lead to the investigation of genuine communication faults not taking priority. Further, customer bills which are estimated using final substitutions rather than actual data may result in an increase in customer and ombudsman complaints to retailers requesting that customer bills are amended to reflect actual data.

Yurika is also concerned shortening the settlement cycle will place unnecessary pressure on MDPs to finalise metering data with permanent substitutions after the proposed 11 business days. In Yurika's experience, Financially Responsible Market Participants (FRMPs) request meter data to be finalised after 20 business days. If the settlement cycle is shortened, this will likely result in Local Network Service Providers and FRMPs increasing the number of *VerifyMeterData* (VMD) requests on MDPs. VMDs requests are time consuming as each request requires a manual assessment of the current data set, an investigation as to why the data is missing, a corrective action and a manual response. On average, Yurika already processes around 500 of these requests per month, and is concerned shortening the settlement cycle will increase the resources required by MDP to manage these requests.

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Our staff are based Australia-wide

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In summary, Yurika believes there is a trade-off between shortening the settlement cycle to reduce working capital requirements, and providing actual and accurate meter data to support settlement amounts. We are supportive of the AEMC further investigating the costs associated with implementing a shorter settlement cycle, including the concerns described above, to inform the final determination. We look forward to continuing to engage with the AEMC on its consultation in relation to *Shortening the settlement cycle* and should the AEMC require additional information or wish to discuss any aspect of this submission, please contact either myself on 0429 394 855, or Sarah Jacobson on 0484 783 507.

Yours sincerely

A handwritten signature in purple ink that reads "Alena Christmas".

Alena Christmas

Manager Regulatory Affairs

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