

8 October 2015

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged electronically via www.aemc.gov.au with reference ERC0182

Reference ERC0182: Meter Replacement Processes Rule Change – Directions Paper

Thank you for the opportunity to respond to the Meter Replacement Processes Rule Change – Directions Paper (the Paper).

Simply Energy is a leading energy retailer servicing Victoria, South Australia, New South Wales and Queensland. Simply Energy is a member of the Energy Retailer's Association of Australia (ERAA).

The proposal is an improvement, but does not resolve some issues

The Australian Energy Market Commission's (AEMC) proposal is an improvement on the current situation, but leaves unresolved some issues identified by the proponent and in stakeholder submissions.

The key benefit the proponent and other stakeholders are seeking to obtain from this rule change is the value that customers and retailers obtain from being able to get required metering in place as soon as possible and in a coordinated way at the start of a new retail contract.

This was made possible by long-standing AEMO processes that were relatively recently considered not to be compliant with the rules. The ideal outcome would have been rules amendments that made the long-standing processes compliant.

The initial proposal, which included additional roles for prospective participants, added significant complexity that would have added costs to all participants, including those that did not make use of the opportunity to replace meters as soon as possible. As a result, we can understand why the AEMC has not chosen this approach.

The AEMC proposal provides a workable solution for most small customers. However, it does not address the issues raised with respect to multi-site small commercial sites, and large customers that have not appointed their own metering coordinator. Simply Energy urges the AEMC to look again at the issues raised with respect to these types of customer, and propose solutions that are workable for them too.

Additionally, the AEMC proposal is that an incoming retailer cannot require a metering installation to be changed at a connection point until the retail transfer is complete. We consider that a meter change should be permitted on the day of the retail transfer or prior to completion of the retail transfer. This is necessary to overcome the issues identified in the original rule change proposal, and to provide customers with a positive retail experience.

The AEMC must give AEMO comprehensive direction

If made, this rule change will be implemented by the Australian Energy Market Operator (AEMO) developing procedures changes. Experience suggests that AEMO needs to be given comprehensive direction by the AEMC to ensure that the intent of rule changes flows through in full to the final procedures. Simply Energy

recommends that the AEMC closely monitors the procedures development process to ensure this rule change, if made, is correctly reflected in the AEMO procedures.

If you have any questions about this submission, please contact James Barton, Regulatory Policy Manager on (03) 8807 1171.

Yours sincerely

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