

16 August 2012

Mr Truswell
Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235



positive energy

Dear Mr Truswell

ERC0141- Small Generation Aggregator Framework

Energex provides the following comments in response to the Commission's Draft Rule Determination on the Small Generation Aggregator Framework, which introduces a new category of Market Participant called a "Market Small Generation Aggregator" (MSGA) and a new category of Registered Participant called a "Small Generation Aggregator" (SGA).

Energex supports the intention behind the draft Rule change to provide more flexibility for owners of small generating units. However, it is important that the compliance obligations imposed on existing Market Participants apply equally to MSGAs and SGAs (e.g. requirement for systems and processes to comply with Consumer Administration and Transfer Solution (CATS), B2B and requirements for payment of network charges). It should be noted that even though it is assumed that MSGAs and SGAs will be analogous to market customers (retailers) and may be subject to direct billing arrangements, under current regulatory instruments, distributors will be unable to request credit support from MSGAs and SGAs.

Energex understands that the intention of the Rule change is that there will be one financially responsible market participant (FRMP) for the load (i.e. the retailer) and a separate FRMP for the generation output (i.e. MSGA) at a single connection point. Based on this understanding, Energex requests that the Rules and Metrology Procedure clearly prevent multiple information flows through a single metering installation with two FRMPs. This is to avoid the need for AEMO to nominate a Market Participant to be the responsible person where there is disagreement as per clause 7.2.4 of the National Electricity Rules (Rules). In addition, it is important that the Rules and Procedure specify that the metering installation must be capable of recording interval energy data. Clause 7.3.1(i) of the Rules may be interpreted that interval metering is not explicitly required for all market and non-market generating units.

As the Local Retailer (LR) is responsible for publishing current embedded NMIs (and other transactions) to MSATS, Energex's understanding is that the LR must also be responsible for the Parent NMI. Therefore, it is suggested that the Rules require the meter provider and meter data provider be the same entity to reduce the complexity of market transactions and avoid MSATS errors caused by timing mismatches between the FRMPs.

Enquiries

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On a side note, if the intention of the Rule change is to create an embedded network situation, then it should be noted that as per clause 13.6 of the *MSATS Procedures: CATS Procedure Principles and Obligations*, to date, the Queensland jurisdiction has not approved embedded networks for small consumers and has determined that there will be no new embedded networks for large loads in Queensland.

If you require any further information please do not hesitate to contact Mr David Turner, Metering Systems Engineering Manager on 07 3407 5460.

Yours sincerely



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