



AUSTRALIAN
ENERGY
COUNCIL

The Revised B2B framework



Energy Council in principle supports a number of AEMC draft decisions, including:

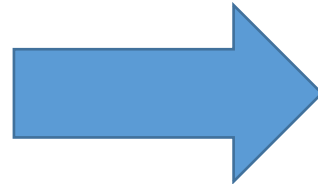
- New IEC is industry led
- reduction on AEMO veto power to “any conflict with MSATS procedures”
- revised B2B factors, B2B Principles and inclusion of the NEO
- cost recovery mechanism
- B2B e-hub development

IEC Membership – Committee make up



AEMC proposed position:

- 1 x Chair (AEMO Director)
- 1 x Retailer seat (class appoint)
- 1 x Distributor seat (class appoint)
- 1 x Metering Parties seat (class appoint)
- 1 x 3rd party B2B seat (class appoint)
- 1 x Consumer seat (by AEMO)
- 2-4 x Discretionary seats (by AEMO)



Energy Council proposed position:

- 1 x AEMO Director (Chair)
- 2 x Retailer seats
- 2 x Distributor seats
- 2 x Metering Party seats
- 1 x 3rd party B2B seat (if any)
- 1 x Consumer seat (by AEMO)
- 2 x Discretionary seats (decided by IEC)*

*Additional discretionary seats may be added at a later stage via Rule Change, if necessary

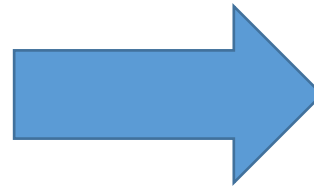
IEC Secretariat (by AEMO)

IEC Membership – Appointment



AEMC proposed position:

- AEMO appointments:
 - Chair
 - Consumer seat (with ECA)
 - Discretionary seats (consult with industry)
- Industry class appointments:
 - Retailer seat
 - Distributor seat
 - Metering Parties seat



Energy Council proposed position:

- All appointments remain

BUT

- Discretionary seats:
 - IEC should assign to membership class
 - Seat appointed by class members

Implementation Arrangements

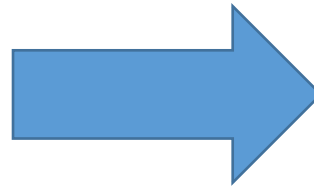


- Delivery of B2B Procedures by 1 May 2017 may allow sufficient time for some participants but not for all
 - In order for industry to be fully ready, all market participants need to implement their systems, processes, staff training and commercial arrangements to be setup.
- This would require the IEC to:
 - prioritise critical B2B procedures required for day one to support a market led rollout
 - advise AEMO when other B2B Procedures could be completed post 1 December 2017
 - commence development on the B2B Procedures work and make recommendations immediately

Transitional Arrangements

AEMC proposed position:

- By 1 August, AEMO must develop a new IEC election procedure and operating manual. AEMO must consult with DNSPs, retailers, MPs and MDPs using the rules consultation process.
- By 1 September, AEMO must establish the new IEC in accordance with the draft rule governance arrangements and election procedures.
- By 1 May 2017, the IEC must make a recommendation to AEMO for a set of B2B Procedures.
- By 1 June 2017, AEMO must publish the B2B Procedures.



Energy Council proposed position:

- Largely supportive of transitional arrangements

BUT

- AEMO should consult with and take the election procedures and operating manual to a vote of the new B2B Parties. This will be shorter than the rules consultation process.
- The AEMO obligation to publish the B2B Procedures, should be drafted to be “within 1 month of the IEC recommendation” to place appropriate time restrictions on AEMO.
- Should provide the IEC with discretion to shorten the rules consultation process, to expedite the critical B2B Procedures.



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