



14 January 2016

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

United Energy
6 Nexus Court
Mulgrave VIC3170
PO Box 449
Mt Waverley VIC 3149
T 03 8846 9900
F 03 8846 9999
www.ue.com.au

Electronic Lodgement – ERC0181

Dear Mr Pierce

RE: Draft Rule Determination National Electricity Amendment (Multiple Trading Relationships) Rule 2015 and National Energy Retail Amendment (Multiple Trading Relationships) Rule 2015

United Energy (UE) appreciates the opportunity to respond on the Draft Rule Determination – National Electricity Amendment (Multiple Trading Relationships) Rule 2015 and National Energy Retail Amendment (Multiple Trading Relationships) Rule 2015.

The AEMC has decided not to make a draft rule in relation to Multiple Trading Relationships (MTR) as the proposed rule is unlikely to deliver material benefits for most customers, is likely to impose significant costs which will result in increased retail prices for all customers and other Power of Choice reforms have been progressed that reduce the need for this rule change.

The AEMC considers that the off market arrangements appear capable of delivering similar services and value to customers and is evident by the number of exemptions that have emerged for power purchase agreements. Metering competition and metering related services, and cost reflective tariffs will help to facilitate more energy services competition.

UE support the AEMC draft determination not to progress with the rule change and make a draft rule. Regulatory obligations and customers protections for electricity supply and sale should remain at the connection point and not progress down to appliance or data-stream level within premises. If there is a commercial need for these within premise arrangements to have more wholesale market exposure, then off market contracts will evolve to meet the need. Customers have over 25 retailers to select the best retail offers from and even more exempt sellers to choose from. The Victorian Government has updated the Victorian Energy Compare website to enable retail offers including generation to be compared, facilitating customer choice and improved analysis of the offers available to facilitate the best overall deal for the customer. The AEMC also notes that customers can already create a second connection to allow choice of several retailers to cover the energy needs at a premise and this option is not generally used, implying there is little demand for this type of energy disaggregation and the complexity it involves.

New energy technologies and new energy service models are becoming available to customers, customers are free to choose these new arrangements. The AEMC note that seeking to regulate these market arrangements can impede entry of the new energy service providers and will serve to constrain innovation. Any regulation should be limited to technical, safety type matters and addressing material adverse impacts if they arise.

The model proposed by ATA/CUAC of a single net meter with a separate NMI and retailer for the load and the generation stream was considered by AEMO in conjunction with an industry working group. We



understand that this model is the most complex to implement and has much the same implementation issues described in section 4.2 of the Draft Determination. The AEMC suggest that this model may be operationally less complex for networks. UE do not support this view, as UE would need to develop the capability to register/provide the second NMI for a single meter and to collect the generation data-streams etc. UE support that any further review and development of this single meter model be carried out outside of this current rule change process.

Should you have any comments in relation to this response please do not hesitate to contact me on (03) 8846 9856.

Yours sincerely

Verity Watson
Manager Regulatory Strategy