



21 May 2015

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Lodged on line at [www.aemc.gov.au](http://www.aemc.gov.au)

Dear Sir / Madam

**Draft Rule Determination, National Electricity Amendment (Expanding Competition in Metering & Related Services), and National Energy Retail Amendment (Expanding Competition in Metering & Related Services)**

Alinta Energy welcomes the opportunity to make a submission to the above mentioned Draft Rule Determination.

Alinta Energy is an active investor in the energy retail, wholesale and generation markets across Australia. Alinta has around 2500 megawatts of generation capacity in Australia (and New Zealand) and a growing customer base of over 750,000 customers in Western Australia and across the National Energy Market.

Alinta Energy is supportive of the proposed rule change that will see the expansion of competition in metering and related services delivering benefits to consumers and retailers alike. It is important however that the governance structure that underpins the rules provides certainty for existing market participants and those participants seeking to enter into the metering space, whilst also ensuring that artificial monopolies (for the provision of meters and related (retail) services) are not able to be developed.

How competitive neutrality is to be achieved will need to be a key consideration. The draft rule determination has been relatively prescriptive on the form and governance of the Distribution Companies through the *Distribution Ring-Fencing Guidelines*. We believe there is further scope to extending ring-fencing guidelines to apply to related entities (Retailer & Metering Coordinator) so as to provide greater confidence and certainty for participants.

We believe there are weaknesses under the current rule, in that the rule proposes a Market Customer cannot hold the role of Metering Coordinator; on the face of it this is to ensure that the Metering Coordinator is not the same entity that is providing other "electricity" retail services to the consumer. Using the Market Customer definition as the exclusionary definition of which entities can fulfil the role of Metering Coordinator fails to recognise that in our ever developing market we are seeing more Non-Market Customers becoming responsible for supplying electricity to consumers.

There are an increasing number of exempt retailers / sellers operating in the market which are not registered "Market Customers" and therefore under the proposed rule would not be precluded from holding the role of Metering Coordinator even though they are (potentially) the primary supplier of electricity to a premise.

We see this as a potential weakness in the rule that if unaddressed may allow artificial monopolies to develop.

Aligned with the Distribution Ring-fencing Guidelines there would appear to be a need for the development of Metering Coordinator / Retailer Ring-fencing Guidelines that adequately cover a wider range of participants who would seek to operate in this area.

Consultation should occur with the AER on a proposal for the development of Metering Coordinator / Retailer Ring-fencing Guidelines. An additional approach and one that needs to be further consulted on with the AER is to include exemption conditions that would preclude an exempt retailer / supplier from fulfilling the role of Metering Coordinator.

It is important that in establishing a competitive metering framework we avoid the unintended consequence of impeding retail competition and that of a consumer's ability to choose a retailer or related product or service.

Should you have any questions or wish to discuss our submission further I can be contacted on (02) 9372 2600 or via email: [shaun.ruddy@alintaenergy.com.au](mailto:shaun.ruddy@alintaenergy.com.au)

Yours sincerely



**Shaun Ruddy**

Manager National Retail Regulation