



Governance of electricity retail market procedures

Commencement of consultation on rule change request

The AEMC has today commenced public consultation on a rule change request that was received from the Australian Energy Market Operator (AEMO). The request relates to the appropriate governance framework for the making of electricity retail market procedures.

Details of the rule change request

AEMO considers that there are a number of deficiencies with the existing arrangements for making business to business (B2B) and other retail market procedures. It therefore proposes a new approach to the making of all electricity retail market procedures, to be supported by a new governance framework. The governance framework describes how the retail market procedures may be changed.

The proposed changes relate to this governance framework, rather than the content of the procedures themselves. AEMO proposes that the governance framework for all retail market procedures should be the same, whether B2B or non-B2B. This governance framework would be primarily located in AEMO processes rather than in the National Electricity Rules (rules), where parts of it are currently located.

According to AEMO, these changes would address the following key issues with the existing rules:

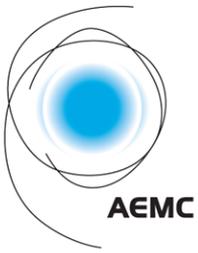
1. the inefficiencies inherent with the existence of multiple procedure making processes;
2. the lack of clarity around accountability for B2B procedures and the risk of inconsistencies between B2B and other, overlapping procedural areas occurring, arising from the presence of two independent procedure making bodies; and
3. the inflexibility of current arrangements caused by prescriptive rules which could inhibit the market from being able to respond in a timely fashion to technological and market developments in the future.

Background

The B2B procedures encompass the operational communications between retailers and distribution businesses. These cover the routine exchange of large volumes of information that underpin retail activities. This includes instructing connections, disconnections and special meter reads, as well as customer and site details, and network billing.

B2B procedures are part of the retail market procedures, a generic term which captures a number of procedures that are specified under the rules. Other retail market procedures cover all aspects of metering, such as meter installation and testing, data collection and data management, as well as processes for the transfer of customers from one retailer to another.

Currently, the process for development of retail market procedures depends on whether the procedure is classified as a B2B or a non-B2B procedure. B2B procedures are managed by a special independent industry committee representing retailers, market customers and distribution businesses. Conversely, the development of all other retail market procedures is managed by AEMO. There are separate processes established under the rules for the development of B2B and non-B2B procedures.



INFORMATION

Consultation process

A consultation paper has been prepared to facilitate public consultation on this rule change request. This paper:

1. Sets out a summary of, and a background to, the rule change request;
2. Identifies a number of questions and issues to facilitate the consultation on the rule change request; and
3. Outlines the process for making submissions.

Stakeholders are invited to lodge submissions to any or all of the issues raised in the consultation paper, and to provide any other comments on the rule change request and the proponent's proposed rule.

Submissions on the consultation paper and rule change request are due by 21 November 2013.

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24 October 2013