



## Multiple Trading Relationships

Stakeholder comments invited on new rule change request

**The Australian Energy Market Commission today started consultation on a rule change designed to make it easier for customers to enter into multiple trading relationships with different electricity retailers at a premises.**

### The rule change request

On 17 December 2014, the Australian Energy Market Operator (AEMO) submitted a rule change request to the Australian Energy Market Commission (AEMC) that is designed to reduce costs for those customers who want to engage with more than one electricity retailer at a premises.

AEMO's rule change aims to make it easier for small customers to enter into multiple trading relationships with different retailers, encouraging new and innovative energy services and driving more competition in electricity retail markets.

Customers can currently enter into these kinds of arrangements only if they establish a second connection to the electricity distribution network. The rule change aims to remove this requirement, allowing customers to enter into multiple trading relationships with more than one retailer at a premises.

AEMO's rule change request also proposes a number of changes to the processes for customer classification, disconnection and life support arrangements, to allow for multiple retailers to provide electricity services at a premises.

### Issues for consultation

The AEMC has published a consultation paper to facilitate stakeholder comment on several matters, including the following key questions:

- Do current arrangements create significant cost barriers for those customers, particularly small customers, who would like to engage with multiple retailers at a premises?
- If more customers were able to engage with multiple retailers at a premises, would this encourage the development of new and innovative electricity services?
- Does AEMO's proposal provide the most effective, efficient and flexible way to enable multiple retailers at a premises?
- If more customers were to engage with multiple retailers at a premises, what is the best way to deal with operational issues like metering arrangements and customer disconnection processes?

To inform stakeholder comment, the AEMC commissioned two consultant reports from KPMG and Energeia, which considered:

- The costs and processes faced by customers wanting to engage with multiple retailers at a premises, under current arrangements
- The range of new electricity services that may be facilitated if customers could easily engage with multiple retailers at a premises.

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## Background

AEMO lodged this rule change request with the AEMC following the completion of a preliminary design for a multiple trading relationships framework. This preliminary design was subjected to a cost benefit analysis that showed costs outweighing benefits in most scenarios. This cost benefit analysis report has been published as part of AEMO's rule change request.

The concept of multiple trading relationships originated as part of the AEMC's Power of choice and Energy market arrangements for electric and natural gas vehicles reviews. These reviews set out a market-wide reform program to give electricity consumers more opportunities to understand and take control of their electricity use and costs.

The Commission acknowledges that there have been significant changes in energy markets since these reviews were completed in 2012. This will inform the Commission's assessment of AEMO's rule change request.

## Consultation process

The consultation paper, KPMG's report, Energeia report and AEMO's rule change request and supporting documents are available on the AEMC website.

Stakeholders are invited to make written submissions in response to issues raised in the consultation paper and the rule change request by **10 September 2015**.

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