



4 December 2014

Richard Owens
Senior Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

AEMC Reference: ERC0169

Dear Mr Owens

RE: Consultation on Implementation of Metering Reforms

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) consultation on the implementation of metering reforms proposed under the Power of Choice review.

About ERM Power

ERM Power is a dynamic Australian energy company with interests in electricity sales and generation, and gas production and exploration. Trading as ERM Business Energy and founded in 1980, we have grown to become the fourth largest electricity retailer in the National Electricity Market by load, with operations in every state. We initially focused on larger businesses but now offer our industry leading services to small businesses. We have equity interests in 497 megawatts of low emission gas-fired peaking power stations in Western Australia and Queensland, operate an electricity metering business that trades as Powermetric, sell conventional gas and condensate from onshore discoveries in Western Australia, and have gas exploration operations in Western Australia and New South Wales.

Implementation timeframe

ERM Power supports the AEMC's proposed reforms to introduce contestability in the small metering market, and look forward to participating in this market when the required regulatory and commercial settings are in place.

The AEMC has published a draft implementation plan, outlining the expected timeline for development and implementation of the regulatory framework, and is particularly seeking feedback on the timeframe to update participant systems to align with changes to the National Electricity Rules and procedures.

As acknowledged by the AEMC, there is insufficient information currently available to assess the exact timeframe required. As such, ERM Power has performed a very high level review of the changes that may be necessary based on available information. At this stage, we anticipate a period of about six months to make necessary system changes for both ERM Business Energy and Powermetric Metering, and to perform relevant testing. The key dependencies for this work to commence are the final determination of the rule change, *Competition in metering and related services*, and the final determination of AEMO procedures. It is anticipated that we could commence system development prior to the completion of all associated AEMO build packs.

In addition to system changes to comply with the new rules, ERM Power would also need to undertake:

- internal procedure changes;
- training, and contractual changes; and
- registration as Metering Coordinator.

At this stage, we expect these steps could be completed within the time period required to undertake system changes. On this basis, we anticipate that we could comply with new rules with a commencement date in early 2017.

Please contact me on the number below if you would like to discuss further.

Yours sincerely,

[signed]

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