

22 October 2015

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

Reference: ERC0179

Lodged electronically: www.aemc.gov.au

Dear Mr Pierce,

RE: Draft Rule Determination National Electricity Amendment (Embedded Networks) Rule 2015

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide comments in response to the Australian Energy Market Commission's (AEMC) Draft Rule Determination on the National Electricity Amendment (Embedded Networks) Rule 2015 (**the Draft Determination**).

The ERAA represents the organisations providing electricity and gas to over 10 million Australian households and businesses. Our member organisations are mostly privately owned, vary in size and operate in all areas within the National Electricity Market (NEM) and are the first point of contact for end use customers of both electricity and gas.

The ERAA supports the draft rule as outlined in the Draft Determination. The Draft Determination proposes a more preferable rule that clarifies the regulatory framework in which embedded networks operate in and is consistent with the recommendations of the Power of Choice review. The ERAA believes the draft rule will reduce the barriers to embedded network customers accessing the competitive retail market.

The AEMC has recognised that this rule change is closely related to the competition in metering and related services rule change, and its success is dependent on the alignment of both rule changes. The ERAA agrees with this view and supports the development of the final rule following the final determination on the competition in metering and related services rule change.

Additionally, the ERAA notes the AEMC has recommended changes to the AER network exemption guideline and various jurisdictional regulations to support the objective of the rule change. The ERAA supports the removal of jurisdictional restrictions in Tasmania, the Australian Capital Territory and Queensland and the harmonisation of existing state based legislation to provide a clear and simple framework for all participants. Jurisdictional cooperation in this respect before commencement on 1 December 2017 will promote access and competition for embedded network customers.



In the Draft Determination the AEMC has indicated that the required changes to the National Energy Retail Rules (NERR) must be considered under a separate rule change request. The ERAA calls on the AEMC to ensure that on-market embedded network customers receive the same consumer protections as those provided by retailers under the NERR when the rule change becomes effective.

Should you wish to discuss the details of this submission, please contact me on (02) 8241 1800 and I will be happy to facilitate such discussions with my member companies.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alex Fraser', with a horizontal line underneath.

Alex Fraser
Interim CEO
Energy Retailers Association of Australia