



EnergyAustralia

20th June 2014

Mr Chris Spangaro
Senior Director
Australian Energy Market Commission
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By online lodgement: www.aemc.gov.au

Dear Mr Spangaro

National Electricity Amendment (Governance of retail market procedures) Rule 2014 - Ref ERC0162 Draft Rule Determination

EnergyAustralia welcomes the opportunity to provide a submission on the National Electricity Amendment (Governance of retail market procedures) draft determination paper.

EnergyAustralia is concerned that the opportunity to improve the current arrangements for making or modifying retail market procedures will be lost if the revised AEMO proposal, as submitted in February 2014 (**Revised AEMO Proposal**), is not implemented. The Revised AEMO Proposal was developed to resolve concerns with governance and accountability, and was done so in conjunction with industry. This Revised AEMO Proposal provided for accountability, participation and transparency whilst ensuring industry recommend changes to the B2B Procedures could only be reconsidered if they failed National Electricity Objective (NEO) and committee principles.

In early June 2014, AEMO decided to separate the operation of its Retail Market Executive Committee from the Information Exchange Committee due to their concerns of governance and accountability. EnergyAustralia is concerned the outcome of this could lead to further inefficiencies in the National Electricity Market thus moving further from the NEO.

If the AEMC's rule change process results in no change to Chapter 7, then our current concerns around inefficiencies remain valid.

EnergyAustralia believes the better outcome for the NEM would be for the AEMC to accept the Revised AEMO Proposal. Given the AEMC's concerns with committee membership and future changes as part of Power of Choice, EnergyAustralia would be open to a further round of consultation.

Should you require further information regarding this submission please call Inger Wills on 03 86281446.

Regards

Renee Garner

General Manager – Retail Regulation & Compliance