

ATTACHMENT 1

STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper. Stakeholders are also encouraged to provide evidence to support claims where possible.

SUBMITTER DETAILS

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CHAPTER 4 – SECTION 4.1 – TIME PERIOD FOR DELAY

Question 1 – Time period for delay	
a) If a delay to the start date of 5MS is necessary, is a 12-month delay appropriate? Alternatively, please explain why another time period is preferable and, if applicable, the implications on cash flow and capacity? Would the rules need to commence at the start of a quarter to align with the contract market, or could 5ms commence mid-quarter? What would be the impact of a mid-quarter commencement?	While CS Energy’s implementation timetable for 5MS has not been materially impacted by COVID-19, CS Energy considers a delay is necessary for all stakeholders to implement 5MS. If delayed, a 12-month delay is preferable. CS Energy has considered earlier commencement dates and an earlier commencement date is not preferable. Commencement of 5MS must align with the start of a quarter in the contract market (which limits the alternative commencement dates to 1 October, 1 January and 1 March). CS Energy does not support a 1 January commencement as this date falls in the Christmas and New Year holiday period / peak summer demand period; consequently, “go-live” issues may be more challenging to resource and respond to over this period. A 3-month delay is unlikely to be sufficient to address the impacts of COVID-19 and in the absence of a substantive reason for a 1 March commencement, CS Energy’s preference is a 1 July commencement.

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	Further, the extent to which COVID-19 may impact on the implementation of 5MS and GS remains unclear. CS Energy encourages the AEMC to consider including a mechanism to further delay the commencement date should this be considered necessary (avoiding the necessity of a further Rule change process).
b) What is the appropriate date for the commencement of the 'soft' and 'hard' starts for global settlement? Should this be a linear move by the number of months of delay, or should the dates change to another timeframe?	CS Energy supports a delay to the "soft" and "hard" starts for GS. This delay should be a linear move. CS Energy's implementation timetable has been planned around the staggered commencement dates for 5MS and GS.
c) If there is a 12-month delay to the start date of 5MS and GS, is it still appropriate that all new and replacement meters (other than 4A) installed after 1 December 2018, and type 4A meters installed after 1 December 2019, be required to record and provide 5-minute data by 1 December 2022? If not, why and what time period would be appropriate?	Not applicable.
d) If global settlement is delayed, by what date should AEMO prepare and publish the first report on unaccounted for energy required under cl 3.15B(a)?	If AEMO will have the necessary information/data to publish the report by the existing date (1 March 2022) earlier publication of the report may be beneficial to industry. If delayed, the delay should be a linear move.
e) Cl 11.112.6 states that AEMO must make and publish the unaccounted for energy reporting guidelines required under new cl 3.15.5B(d) by 1 December 2022. What is the appropriate date for the publication of these reporting guidelines if there is a delay to global settlement?	If AEMO will have the necessary information to publish the guidelines by the existing date (1 December 2022) earlier publication of the guidelines may be beneficial to industry. If delayed, the delay should be a linear move.

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CHAPTER 4 – SECTION 4.2 – PARTICIPANT COSTS AND CAPACITY

Question 2 – Participant costs	
a) What is the expected impact of COVID-19 on participant cash flows? How material is this impact? How long are these cash flow impacts expected to last?	No comment.
b) For participants that are required to implement changes to IT systems and procedures for 5MS and GS, how would the proposed 12-month delay impact your implementation costs? Please quantify and provide evidence where possible. Any confidential cost information will be treated as confidential and redacted from submissions published on the AEMC’s website.	While the financial impact remains unclear, at this stage the proposed 12-month delay to 5MS and GS is expected to have a negligible impact on CS Energy’s implementation costs.
c) To what extent can additional market testing periods run by AEMO minimise costs associated with the delayed commencement of 5MS and GS? To what extent do participants rely on B2B data flows for 5MS and GS testing?	CS Energy would welcome additional market testing periods. Participants should be offered the flexibility to continue with their original implementation timetable (which is likely to minimise costs of deferral for that participant).
Question 3 – Participant capacity	
d) To what extent has COVID-19 affected participants’ ability to implement the necessary changes for 5MS and GS by 1 July 2021?	CS Energy’s implementation timetable for 5MS has not been materially impacted by COVID-19. CS Energy is however aware COVID-19 has had a material impact on the implementation timetable for other industry participants and is concerned with broader industry disruption if the commencement of 5MS and GS is not delayed.

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CHAPTER 4 – SECTION 4.3 – ELECTRICITY CONTRACT MARKET IMPLICATIONS

Question 4 – Electricity contract market

a) To what extent have you purchased 5-minute cap products for FY 2021-22? What would the impact of a delay be to the value of those 5-minute cap products as risk management products for your business?	No comment.
b) Would a delay to commencement of SMS impact swap, captions or any other financial hedging products trading for FY2021-22 and beyond? If so, how?	CS Energy expects liquidity will improve for cap products. The ASX has not listed cap products for FY2021-22 and CS Energy expects the ASX to list these products if SMS is delayed by 12-months. CS Energy does not expect liquidity to be materially impacted for swap products.

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CHAPTER 4 – SECTION 4.4 – DELAYED BENEFITS

Question 5 – Delayed benefits

a) To what extent were investments that have been made, or are planned to be made, in technologies that are capable of responding to a five-minute price signal, dependent on the SMS rule commencing on 1 July 2021, as opposed to other factors? What effect would a 12-month delay have on the expected return on investment for these assets? Please quantify and provide evidence, noting that submissions can be treated as confidential if requested, or confidential information can be redacted from submissions published on the AEMC's website.

Not applicable.

b) To what extent would a 12-month delay to the start of SMS and/or GS delay the realisation of other benefits for individual participants and/or the industry as a whole? Please quantify and provide evidence, noting that submissions can be treated as confidential if requested, or confidential information can be redacted from submissions published on the AEMC's website.

Not applicable.

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CHAPTER 4 – SECTION 4.5 – IMPLICATIONS OF DELAY ON RULE DRAFTING, PROCEDURES AND DETERMINATIONS

Question 6 – Drafting and procedure implications of delay

<p>a) Is there any feedback on the high-level description of a potential rule presented in Appendix A? Are there any other interactions with affected rules and schedules that have not been identified?</p>	<p>CS Energy's comments are limited to the <i>Draft National Electricity Amendment (Wholesale demand response mechanism) Rule 2020</i>.</p> <p>If 5MS is delayed 12-months, and the wholesale demand response mechanism (WDRM) Rule is made with a commencement date of 24 October 2021 as proposed, the WDRM should be delayed until after the commencement of 5MS. CS Energy suggests a linear move. CS Energy expects the implementation costs for the WDRM will increase materially if it is required to be implemented for the current 30-minute trading interval, and then for 5MS. Ultimately, any additional costs are borne by consumers.</p> <p>Further, the original commencement date of 24 October 2021 was proposed as it followed the implementation of 5MS, which was a core reform in incentivising wholesale demand response. CS Energy considers it essential that the timing of these two reforms are properly sequenced.</p>
<p>b) Should AEMO, the AER and the IEC be required to review and if necessary, amend their relevant procedures to take into account a delay to five minute and global settlement?</p>	<p>CS Energy considers AEMO, the AER and the IEC should review relevant procedures (which at minimum should include those identified as requiring changes to accommodate the move to 5MS and GS) to ensure that no further changes are required (other than a change to the affected dates) to take into account the delay of 5MS and GS. If a review is not undertaken, consequential implications arising because of the delay may be missed.</p>
<p>c) In its rule change request, AEMO proposes that there should be no consultation on any changes to its procedures if those changes are solely related to a delay to five minute and global settlement. Are there any reasons that this could be an issue?</p>	<p>CS Energy agrees that consultation will not be necessary if the changes to its procedures are limited to the relevant dates.</p>