

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?	Jemena’s preferred approach is for a six-month delay and the 5MS go-live date be 1 December 2021. We acknowledge that 1 January 2022 is not practical because of Christmas and new year holiday period. Jemena also recommends changing the Reducing Customer Switching implementation date be aligned with the proposed 5MS go-live date on 1 December 2021. It is our understanding that AEMO has currently scheduled the Reducing Customer Switching start in Q3 2021. Further, we recommend that any implementation arising out of the MSATS Standing Data Review be also aligned with 5MS go-live on 1 December 2021.

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	<p>We believe it would be more efficient to deliver these projects at the time of the proposed SMS go-live date of 1 December 2021.</p>
<p>a) 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?</p>	<p>AEMO's proposal for a GS 'soft' and 'hard' start dates are 1 July 2022 and 5 February 2023 respectively. Jemena's preferred approach is for a six-month delay and the GS 'soft' and 'hard' start dates be 1 December 2021 and 6 August 2022 respectively. Jemena supports the linear shifting of the dates in line with the proposed six-month delay to the SMS.</p>
<p>b) If there is a 12-month delay to the start date of SMS 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?</p>	<p>AEMO's proposal is to maintain the current requirement to provide 5-minute data to the market by 1 December 2022. We propose no change to that date provided Jemena's proposed date of 1 December 2021 for SMS is approved.</p> <p>However, if SMS and GS effective dates are delayed by 12 months, then five months to complete all the meter conversions to enable 5-minute data to the market by 1 Dec 2022 is risky due to possible high number of exceptions. To mitigate this risk, Jemena propose at least another six months extension to the deadline—that is, move the compliance date to 1 June 2023.</p>
<p>c) 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)?</p>	<p>The GS rule change provided for early information to be available to market customers on their potential UFE financial liability before the GS rule comes into effect – hence the 'soft' start date of 1 July 2021. If this GS start date is delayed, then AEMO's first report should also be delayed by that the same delay period.</p>
<p>d) 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?</p>	<p>Jemena advocates shifting of the dates in line with the proposed GS soft start date.</p>

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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?	The expected impact of the Covid-19 on Jemena’s cashflow is uncertain. It depends on the arrangements we have with retailers, which include deferral in paying network tariff invoices for a period for customers who are in financial distress.
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.	Although COVID-19 situation is uncertain at this stage, a 12-month delay will impact the current staffing, vendor deliverables and commercial agreements in place. The 12-month delay to 5MS and GS will defer the costs Jemena would incur in 2020 to 2021, add ramping down and ramping up costs in 2021 and possibly additional vendor support costs for a longer duration of the 5MS program. Jemena’s preference is for a six-month delay to minimise ramping down and ramping up costs and loss of key resources.
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?	Additional market testing windows will not reduce the costs, but will allow participants to reduce the risk of finding major issues closer to the go-live dates.

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?	Although COVID-19 presents a ‘high’ risk to the program, mitigations were put in place to manage the impact to 5MS program. A business continuity plan (BCP) was successfully put in place, enabling the 5MS team to continue with the implementation with minimal interruptions. However, since the announcement of a possible 12-month delay to 5MS and GS, Jemena has scaled down the team to reduce spending in 2020 with a focus of maintaining the core team to support AEMO consultations and environment provisioning to mitigate longer hardware procuring timeliness due to COVID-19.
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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?	N/A for Jemena
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?	N/A for Jemena

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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 5MS 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.

5MS does not deliver any financial benefits to Jemena. Jemena is a LNSP and MC/MDP.

b) To what extent would a 12-month delay to the start of 5MS 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.

GS does not deliver any financial benefits to Jemena. Jemena is a LNSP and MC/MDP.

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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>Jemena agrees with the high-level description of a potential rule presented in Appendix A. Further we have not identified any other interactions with affected rules and schedules.</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>Jemena believes a delay to 5MS and GS start dates do not require any amendments to the relevant procedures other than to update the start dates.</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>We agree that there should be no consultation on any changes to the procedures if those changes are solely related to a delay to 5MS and GS.</p>