

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?

Given the impact of COVID-19 has not had the level of impact predicated in April 2020 for PLUS ES, a 12-month delay does not appear necessary for our business. We understand that other parties in the NEM may be experiencing a different situation. If there is to be a delay, avoiding 1 January 2022 would be preferable and any other increment up to 12 months would be acceptable to PLUS ES. Preference would be to align the effective date to the first day of a month. Mid-quarter commencement would not have any impact for PLUS ES.

Stakeholder feedback

Delayed implementation of five minute and global settlement

14 May 2020

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?	PLUS ES are happy with the current soft and hard dates for soft and hard starts for global settlements but if it must move, moving in alignment with the move in the 5MS start date would be most appropriate.
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?	PLUS ES would like Phase 2 delayed by at least 6 months if Phase 1 is delayed by 12 months to 1 July 2022. PLUS ES believes that there will be parties (Retailers and Networks) who will be swamped with change request transaction volumes between the start date and 1 December 2022. Whilst PLUS ES would prefer the start date not be delayed, if it is, then the end date for the new and replacement meters (other than 4A) installed after 1 December 2018, and type 4A meters installed after 1 December 2019 would be better placed another 6-7 months later i.e. 1 June or 1 July 2023.
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)?	N/A
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?	N/A

Stakeholder feedback

Delayed implementation of five minute and global settlement
14 May 2020

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?	PLUS ES is impacted by the cash flow impact on its ICT vendor by COVID-19. PLUS ES have delayed some scope on related projects but have maintained the 5MS & GS program of work on the current schedule. We believe the postponed work will incur a 6-12-month delay. PLUS ES expects our understanding of the cash flow issues will become more apparent in the coming months and are unable to predict how this will impact the PLUS ES cash flow at this time e.g new installation scheduling.
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.	PLUS ES investigated the cost of delaying the program of work by 12 months and the costs were more than \$2M additional to the current business case cost. The ramp down/rapid shut down and ramp up costs were considered too high to halt the program of work at this time.
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?	PLUS ES will participate in any Industry Testing or Market trials in 2021 but are unlikely to have an ICT development team on hand after 1 July 2021 when the remaining tasks are business and operational tasks. PLUS ES would not be as keen to participate in Market Trials in 2022. PLUS ES would like access to B2B to test with other parties bilaterally from early 2021. Failure to have this level of access will compact our bilateral testing with major partners.
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?	COVID-19 has had minor impacts to the program of work which has continued at just ahead of the projected position at this time. We have yet to see any negative impacts of COVID-19 on the program other than the financials as discussed in Question 2a.

Stakeholder feedback

Delayed implementation of five minute and global settlement
14 May 2020

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?	Our capital expenditure budget on 5 min products – meters & modems - remains unchanged. Our investment in additional data storage for SMS has been delayed by 6-12 months.
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

Stakeholder feedback

Delayed implementation of five minute and global settlement
14 May 2020

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.

PLUS ES plans to release the 5-minute capable metering systems upgrade in November 2020 as originally planned. The technology will support current BAU (30-minute MDM to AEMO, 15 & 30 min MDFF to other parties) until bilaterals are agreed or the effective date (current or delayed) is reached.

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.

PLUS ES is continuing with the original timeline of its program. We have several projects to follow on from this program which will benefit the customer such as improved communications to ensure reliable meter readings, de-en/re-en functionality, other rule change updates such as for fuse sharing rule changes and customer switching. Not delaying the 5MS program of work will allow us to implement these beneficial upgrades in a timely manner.

Stakeholder feedback

Delayed implementation of five minute and global settlement
14 May 2020

CHAPTER 4 – SECTION 4.5 – IMPLICATIONS OF DELAY ON RULE DRAFTING, PROCEDURES AND DETERMINATIONS**Question 6 – Drafting and procedure implications of delay**

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?	The lack of movement of the effective date for the second group of metering (those Type 4 installed or upgraded since 1 December 2018) has created a very short transition period from when the entire market must be ready to accept the 5MS configuration changes and the due date (5 months total). This is of grave concern with the recipients of change requests at risk of being overwhelmed during this period with the volume of meters to be upgraded and the volume of transactions those transitions will initiate. If the effective date for 5MS moves to 1 July 2022, then an extension of 6 to 12 months of the Tranche 2 effective date would relieve the pressure on the period following.
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?	For the 5MS date delay, the procedure clauses for any references to effective dates would require updates. If there are procedure changes which are now out of synch with the new date order (i.e. had been intended to be effective post 1 July 2021), then procedures will need review and re-issue. However, for those transitioning early, it would be most preferable for procedure stability of the 5MS content at this time.
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?	There may be issues where procedure changes have already been consulted on and finalised for changes based on the 5MS versions of the procedures which may now need to be updated on earlier versions of the procedures.