

Wednesday, 20 November 2019

Audrey Zibelman
Chief Executive Officer
Australian Energy Market Operator
Level 22, 530 Collins Street
Melbourne VIC 3000

Via email: NEM.Retailprocedureconsultations@aemo.com.au

Dear Ms Zibelman,

RE: CUSTOMER SWITCHING IN THE NEM ISSUES PAPER

TasNetworks welcomes the opportunity to make a submission to the Australian Energy Market Operator (**AEMO**) on the Customer Switching in the National Electricity Market (**NEM**) Issues Paper.

TasNetworks is the Transmission Network Service Provider (**TNSP**), Distribution Network Service Provider (**DNSP**) and Jurisdictional Planner (**JP**) in Tasmania. TasNetworks is also the proponent assessing the business case for Marinus Link, a new interconnector between Tasmania and Victoria. The focus in all of these roles is to deliver safe and reliable electricity network services to Tasmanian and NEM customers at the lowest sustainable prices. TasNetworks is therefore appreciative of AEMO's efforts to review the protocols for switching customers in the NEM.

The key points in this submission are:

- In general, TasNetworks supports the intent of the majority of AEMO's proposed changes.
- With that said, TasNetworks' considers it imperative that no changes are made to the Business to Market (**B2M**) schema. This is so that participants can implement any necessary customer switching system and process changes with minimal impact to other ongoing projects such as 5 Minute Market Settlement (**5MS**) and Global Settlement (**GS**).
- In this respect, TasNetworks considers that re-designing one of the existing error correction Change Requests (**CRs**) would be a preferable, alternative design option for preventing a customer switch by a retailer based on a certified debt. Similarly, TasNetworks considers that re-design of an existing cooled-off correction CR would be preferable to creating a new error correction CR.
- TasNetworks does not see any compelling reason to extend the current 10 day business window in which a recently obtained meter reading could be used to support a retrospective

in-situ customer switch. This is on the grounds that this will be unnecessary once the ability to switch based on a substitute read the following business day is implemented.

- TasNetworks suggests two new fields for 'Last Read Date' and 'Quality' be created and auto-populated with data received from the Meter Data Provider (**MDP**). This would improve transactional efficiency once the 5 Minute Settlement changes have been implemented.

TasNetworks' responses to individual questions are provided in the attached participant response template. We welcome the opportunity to discuss this submission further with you. Should you have any questions, please contact Bryce Turnbull, Market Systems Compliance Manager, via email (bryce.turnbull@tasnetworks.com.au) or by phone on (03) 6271 6218.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Astley', with a horizontal line underneath.

Tim Astley

Team Leader, NEM Strategy and Compliance

CUSTOMER SWITCHING IN THE NEM

FIRST STAGE CONSULTATION

PARTICIPANT RESPONSE TEMPLATE

Participant: *Tasmanian Networks Pty Ltd (TasNetworks)*

Submission Date: *22/11/2019*

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1. Context

This template is to assist stakeholders in giving feedback to the questions raised in the issues paper about the proposed changes to the customer switching process design in the NEM.

2. Questions raised in the NEM Customer Switching Issues Paper

Question No.	Question	Participant Comments
1	Does the proposed change, to limit 1000 series CRs to a change of FRMP only, unreasonably restrict a retailer or other party from performing an action as required by the NER? Are there any additional considerations that AEMO has not presented?	TasNetworks does not consider this change restricts any parties from performing any actions as required by the NER.
2	Are the issues raised by AEMO regarding restrictions being placed on an MCs ability to object to an appointment reasonable?	TasNetworks considers the issues raised are reasonable. With either option the new FRMP and existing MC would need to ensure they have an agreement in place between both parties to continue providing services.
3	Does the removal of the notification of a pending customer switch unreasonably restrict retailers from being able to comply with the NER or NERR?	TasNetworks does not consider that the removal of this notification would restrict retailers complying with the NER and NERR.
4	Are there any alternative design options that AEMO should consider facilitating prevention of a customer switch by a retailer based on a certified debt, which are consistent with the ACCC REPI recommendations for the removal of the	TasNetworks' preference would be to implement a solution that did not require a schema change, being either option 1 or option 3 but re-designing one of the existing error correction CRs, rather than

Question No.	Question	Participant Comments
	notification of a pending customer switch and do not unreasonably delay customer switches in Victoria?	creating a new one.
5	Does the one business day timeframe proposed to enable the raising of the new Victorian certified debt objection CRC reasonably enable retailers to exercise the ability to prevent the customer switch?	TasNetworks considers that this would enable retailers to exercise the ability to prevent the customer switch.
6	Should AEMO seek to replace rather than redesign the current CRC with two new prospective CRs? If so, how might transactions 'in-flight' be treated upon implementation of the procedure changes and associated system changes?	<p>TasNetworks considers that the option to re-design the current CR 1000 (option 2) is the preferred option and should simplify any system development work required.</p> <p>Regarding in-flight transactions, TasNetworks' assumption would be that all existing CR 1000 transactions, with a read type code of RR, would be automatically transitioned to Complete on day one after the change became effective, prompting the respective MDP's to submit the substitute readings.</p>
7	Is there a compelling reason to retain the use of the NSRD in the customer switching process? If so, what are these reasons; and what controls might reasonably be introduced such that its use no longer becomes commonplace and that customers benefit from the ability to access next-day switching?	<p>The only minor risk that TasNetworks can foresee is that provision of substitute readings to facilitate the customer switching process may not be able to be performed within the proposed timeframes, depending on the solution implemented by individual MDP's.</p> <p>As opposed to the existing NSRD process, which is already being provisioned successfully on time via existing business processes.</p>

Question No.	Question	Participant Comments
		Should consideration be given to extending the window for providing the substitute read?
8	Is there value in retaining an ability for a prospective change of FRMP role to occur based on a special reading?	<p>There are two scenarios that TasNetworks considers will require the use of a special reading.</p> <ol style="list-style-type: none"> 1. Aligning a change of retailer with the re-energisation of a NMI. This would require a re-energisation service order and an associated CR 10XX with an SP read type code. 2. To align a change of retailer with the retrieval of an actual reading at a NMI that has experienced two or more consecutive substituted scheduled readings. This would eliminate the possibility of a large adjustment or settlement between the two retailers when the future actual reading is provided.
9	With the NSRD no longer able to be used to facilitate prospective customer switches, is there value in maintaining access to the NSRD in NMI Discovery?	<p>TasNetworks considers the NSRD will still be required as it allows the retailer to communicate the next scheduled reading date to the customer.</p> <p>This is currently also provided in NEM13 payloads, however a new FRMP would not have this information at the time of a customer signing up, plus the date can be amended by the MDP at any point before the NSRD and communicated to the FRMP via a CR 5071.</p>

Question No.	Question	Participant Comments
10	How critical is the Read Quality information to the potential use of the Last Read Date for retrospective customer switching?	TasNetworks does not consider the read quality is critical to the retrospective customer switching process. Given that prospective transfers will be based on substituted readings, TasNetworks sees little value in the previous read quality being known for the purpose of undertaking a retro customer switch.
11	Are there other matters that AEMO should consider regarding the three options presented, or any alternative options that AEMO might consider?	<p>TasNetworks is of the opinion that AEMO could create the two new fields, for Last Read Date and Quality, and auto populate these fields with values derived from reading data received from the MDP.</p> <p>We are aware that only tier 2 NMI's will have this data supplied. However once 5MS is implemented, AEMO will receive this data for all NMI's.</p> <p>TasNetworks does not see value in having MDP's creating two new fields via a transaction that could quite easily be superseded when 5MS is implemented in July 2021.</p> <p>Further to this, TasNetworks considers that, given the low volumes of retrospective customer transfers (15%) of which the majority are performed using the CR 1040 (which presumably use a service order or at least the previous read date is already known), there may not be value in implementing a new transaction to service this low volume of FRMP changes.</p>

Question No.	Question	Participant Comments
		<p>In addition, if the new retailer was not able to source the last read date or quality, there would only be a maximum of 15 days difference between a retrospective transfer and the newly proposed prospective transfer based on a substitute reading. Therefore not a significant financial difference for the new FRMP and the customer would simply receive one more final account from their old FRMP.</p>
12	<p>Has AEMO reasonably presented the relevant considerations in relation to using recent readings to support customer switching? Are there any additional considerations that AEMO has not presented?</p>	<p>TasNetworks considers that, given the low volumes of retrospective customer transfers (15%) of which the majority are performed using the CR 1040 (which presumably use a service order or at least the previous read date is already known), there may not be value in implementing new transactions to service this low volume of FRMP changes.</p> <p>Are the Last Read and Quality required in MSATS now? When 5MS is implemented could these fields potentially be superseded as AEMO should be able to derive this information from the reading data provided?</p>
13	<p>Is the proposed 15 business day 'window' in which a recently-obtained metering reading could be used to support a retrospective in-situ customer switch reasonable? Are there additional matters that AEMO might consider in support of a lengthening or shortening of this 'window'?</p>	<p>TasNetworks does not see any compelling reason to extend the window past the current 10 business days or to a further extent, once the ability to churn based on a substitute read on the next business day is implemented, will there be as much demand for retrospective customer transfers?</p>

Question No.	Question	Participant Comments
14	Is the proposed inclusion of a retrospective customer switch in the CRC 1000 a preferable outcome to the creation of a new specific CRC for this purpose (liked to questions in section 3.1.2)?	From these two options, using the CR 1000 for prospective and retrospective is preferable. However would it not be even easier to keep the CR 1010 in use for retrospective transfers as it is currently (with similar tweaks to objection rules and timeframes)?
15	Is the proposed extension of five business days (from 10 to 15 business days) to the retrospective period within which a CR 1040 may be raised reasonable? Are there additional matters that AEMO might consider in support of maintaining the current 'window', or the lengthening or shortening of this 'window'?	TasNetworks does not see any compelling reason to extend the window past the current 10 business days or to further extent, once the ability to churn based on a substitute read on the next business day is implemented, will there be as much demand for retrospective customer transfers?
16	Should the use of a recent reading be limited to customers who have manually read metering installations? Smart metering systems should be able to provide readings for a specified date within the last 15 business days (e.g. if a customer with a smart meter can confirm the date of their recent bill is within the last 15 business days, why should the prospective retailer be restricted from retrospectively switching the customer on that date, so that the customer and participants can access the benefits of a retrospective customer switch as described in this section?	TasNetworks is not aware of any technical reason why an interval metered NMI cannot transfer on any day within the allowed retrospective limit. We consider that customers having meters with these capabilities should be allowed to take advantage of them.
17	Has AEMO overlooked any requirement or reasonable justification for the retention of the five embedded network-specific CRs?	TasNetworks is not aware of any reason that has been overlooked.
18	Do the changes adequately provide for retailers to comply with the cooling-off provisions and customers' exercising their right	TasNetworks considers the ability for retailers to handle cooling off customers is covered adequately

Question No.	Question	Participant Comments
	to cool-off?	by the proposed solution.
19	Is the redesign of an existing cooled-off error correction CR preferable to the creation of a new error correction CR for the purpose stated above?	<p>TasNetworks considers that it would be preferable to re-design one of the existing CRs as opposed to creating a new CR.</p> <p>This would aid participants in keeping development costs down and quite possibly simplify the implementation process, which could be significant given the relatively tight timeframe and other concurrent market change projects.</p>
20	What problems, if any, might be caused by the removal of the error correction CRCs 1022, 1027 and 1028?	TasNetworks considers that any scenarios requiring error correction can be covered by the remaining 102X CRs.
21	Should changes be considered to error correction CRCs 1020, 1021, 1023 and 1029 to better facilitate resolution of issues and errors for customer switching?	TasNetworks considers the remaining transactions should adequately cover most if not all scenarios requiring error correction.
22	Are the changes proposed to the objection codes available to MCs regarding MC role appointment reasonable?	TasNetworks considers that the proposed new objection rules are adequate for the MC appointment CRs. Any scenario not covered for should be able to be resolved by communication with the FRMP.
23	Are there other unreasonable restrictions placed on appointing parties by the MSATS procedures that limit or prevent MSATS role appointment to align with the NER requirements at a connection point that AEMO might consider?	TasNetworks does not consider there are any restrictions that need to be considered.
24	Are there issues affecting the installation of metering that could reasonably be resolved by reducing the nominated MC's	There is one benefit that TasNetworks is aware of, being a potential for the customer to have one less

Question No.	Question	Participant Comments
	objection timeframe to zero days in MSATS?	day's delay before having new metering installed, by the new MC being able to engage with the MP a day earlier.
25	Would MCs reasonably be capable of determining whether to object to transfers if the objection period for MC nomination was reduced to zero days?	From TasNetworks point of view, this change to a zero day objection period would make identifying transactions that required an objection somewhat problematic, or at the very least place us at greater risk of missing the objection window. However, existing mechanisms exist to rectify erroneous nominations.
26	Are there further suggestions on changes to structure to improve the clarity and accessibility of sections 1 to 6 of the MSATS CATS procedures?	TasNetworks considers the structure of the procedures is clear.
27	Do MSATS Participants consider that the proposed changes materially alter the obligations placed on them within the MSATS procedures?	TasNetworks does not consider this to be the case.
28	Is the change to the reason code in the MDFF necessary?	TasNetworks does consider the new code is necessary. It would greatly help to identify the substitute readings for reporting and other business activities.
29	Should other changes be considered to the MDFF to accommodate the changes proposed in this Issues Paper?	TasNetworks does not consider that any further changes are required.
30	Is the rationale described in this Issues Paper regarding the proposed timing for implementation reasonable?	The rationale described is reasonable on the basis that there are no new transactions or a schema change required. TasNetworks still holds the belief

Question No.	Question	Participant Comments
		that combining these changes with the 5MS/GS releases would help to keep implementation costs to a minimum for both participants and their vendors.
31	Are there other considerations or proposals that AEMO might consider regarding the timing for implementation of the proposed changes?	As per response to question 30.

3. Other Issues Related to Consultation Subject Matter

Heading	Participant Comments
Implementation without Schema Changes.	<p>TasNetworks considers it would be possible to implement the vast majority of the new functionality proposed in the new Customer Switching rules without making changes to the B2M Schema.</p> <p>For example:</p> <p>The CR 1010 could be redesigned to handle any retrospective 15 day window transfers.</p> <p>The CR 1026 could be redesigned to handle the functionality proposed for the CR 1060.</p> <p>The CR 1028 (or 1022,1027,1028) could be redesigned to handle the functionality proposed for the CR 1061.</p> <p>Functionality within MSATS to extract the Last Read Date and Quality from the reading</p>

Heading	Participant Comments
	files submitted by the MDP could replace the requirement for the new CR 5072. Noted that this would only work for Tier 2 NMIs until 5MS was implemented. Or if this is not an option, the retailers could retrieve the last read date from the customer (via their last bill) in situations when a CR 1040 is not applicable.