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Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

Sent by email

Re: Power of Choice Procedure Changes (second round of Work Package 2)

Dear Sir/Madam,

Ergon Energy Queensland Pty Ltd (EEQ) welcomes the opportunity to provide this submission to the Australian Energy Market Operator (AEMO) on its Power of Choice Procedure Changes (second round of Work Package 2). This submission is made in EEQ's capacity as a Market Participant.

EEQ is a proud Queensland business that provides electricity to more than 700,000 regional homes and businesses. Ergon's retail business is part of the Energy Queensland Limited group which is Australia's largest energy business.

EEQ has provided feedback relating to the Exemption Procedure (Metering Installation Malfunction) in the AEMO response template (Attachment 1).

As indicated in EEQ's response to AEMO's first round consultation, EEQ remains concerned that:

- The requirement to submit individual applications exemption in the instance of *force majeure* events (such as cyclones, floods, severe storms or bushfires) where there are significant numbers of NMIs impacted is impractical and is an overly burdensome approach; and
- In these instances, replacing a significant number of malfunctioning meters may not be possible within the 7 day requirement, triggering further applications for extension for meters where due to the volume of replacements, issues of lack of access (e.g. due to continuing flooding or road blockages etc).

EEQ remains of the view that in circumstances of a *force majeure* that AEMO, in discussion with the Metering Coordinator, could consider granting a blanket exemption or extension to a blanket exemption covering a large number of NMIs in a single application. EEQ has suggested that AEMO include a new subsection in Clause 2.5 of the Exemption Procedure (Metering Installation Malfunctions) as follows:

- *In the instance of a force majeure where there a significant number of impacted NMI's, AEMO may at its discretion grant a blanket exemption, or extension to a blanket exemption, covering a large number of NMIs on a single Application for Exemption/ Application for Extension. This will be undertaken in consultation with the MC and will be considered on a case-by-case basis.*

As a retailer, EEQ's perspective is that the focus should be on safely returning electricity supply and repairing or replacing malfunctioning meters for impacted customers. Once supply and repairs have been made following a *force majeure* event, AEMO could require the relevant Metering Coordinators to provide a full list of the NMIs where meters were found to be malfunctioning, and provide information on the length of time taken to repair or replace these meters. In this manner, AEMO will have access to the data that is required for its purposes and can ascertain whether the Metering Coordinator / Meter Provider actions were reasonable during these events.

AEMO has previously supported Ergon's distribution company in providing blanket notifications / exemptions during previous cyclone and severe weather events which in Queensland occur in most years. As an example, in 2011 Tropical Cyclone Yasi (a *force majeure* event) crossed the far north Queensland coastline which resulted in 227,000 customers in several regions being off-supply. Ergon's call centres received more than 212,000 calls in three weeks, with our customer representatives personally handling 134,000 calls with the automated response providing the remainder of responses. Although the majority of the damage was to powerlines, towers, poles and substations, all meters in impacted areas are physically checked for damage and safety prior to re-energisation of premises. EEQ remains concerned that a requirement to lodge individual exemptions (or extensions for exemptions) for malfunctioning meters could detract from the customer focus following these events.

If you have any questions regarding this submission please contact Michelle Norris on (07) 3851 6222 or alternatively Gareth Morrah on (07) 3851 6823.

Yours sincerely

Mark Williamson
A/ Executive General Manager, Retail
Ergon Energy Queensland