NEM Customer Transfers

IEC presentation

August 2019

Agenda

1. Key features
2. Retail Market (Procedures Framework)
3. Rules principles
4. Customer outcomes
5. Process flows
6. Implications for IEC?
7. Discussion

This slide pack has been designed to support:

- AEMO *Customer Transfers in the NEM* Rule Change Proposal (May 2019)
- AEMO *Appendix A – Retailer Transfer Process in the NEM: High Level Design* (May 2019)
- AEMC *Reducing Customers' Switching Times* Rule Consultation Paper (July 2019)

Relevant background:

- ACCC *Retail Electricity Pricing Inquiry Final Report* Recommendations 8 and 9
- COAG EC tasking letter
- AEMC and AEMO joint advice

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Customer transfer reform objective

Design objective:

To put in place a customer transfer process that enables customers to transfer within a two day time period, irrespective of metering arrangements

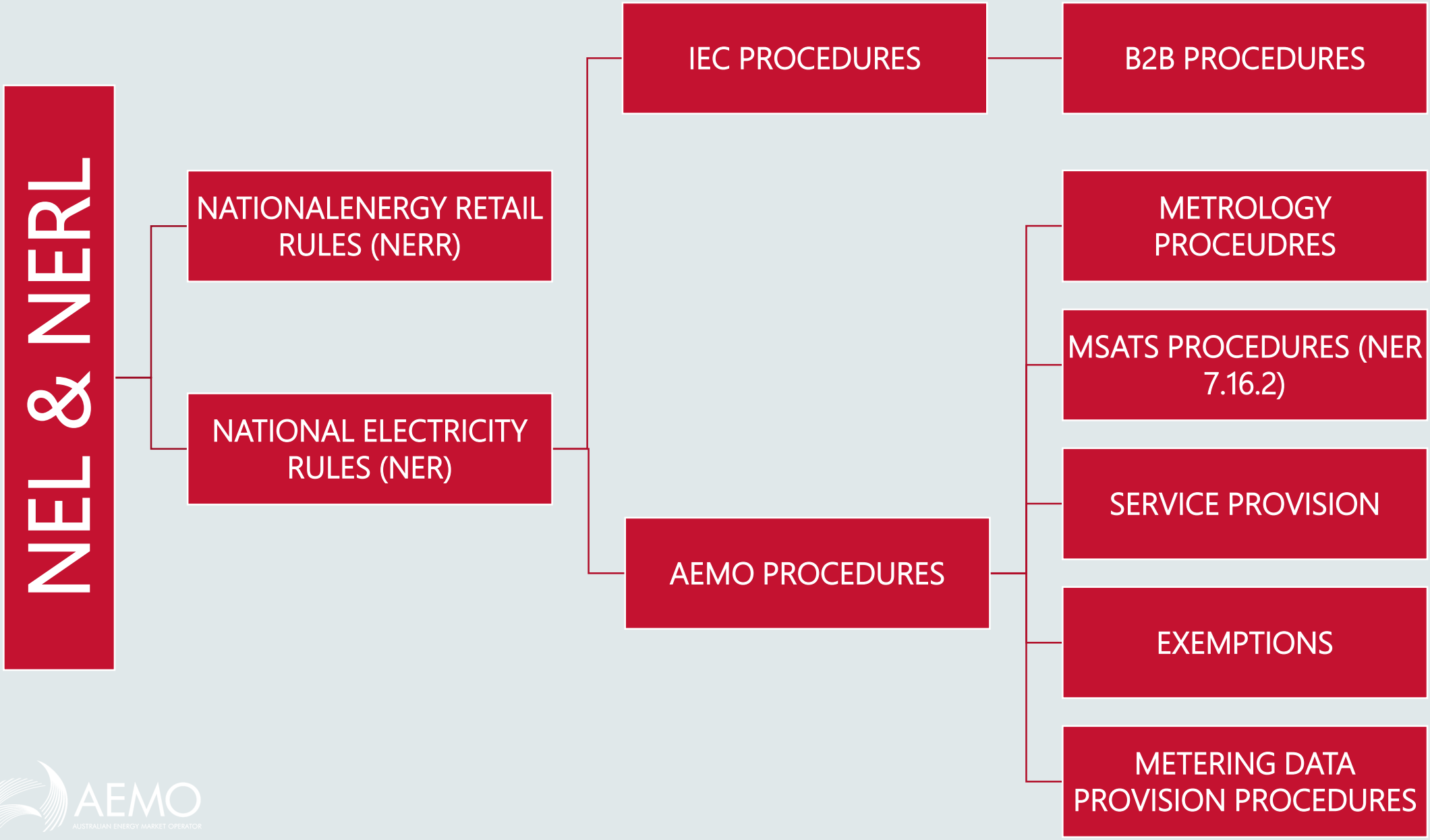
Design principles:

- There is a simple, easy and timely customer transfer process for consumers
- Supporting procedures are streamlined, transparent and provide certainty for participants
- Obligations are clear, enforceable and can be reported on
- Changes have regard to the implementation and ongoing costs

Key features of the design

1. Customer transfers – Change of Retailer role only
2. No longer able to transfer on NSRD
3. Actual change date (CR1500) only required on a 'Special Read'
4. Transfer will occur:
   - Next day (outside VIC)
   - Next day + 1 (VIC)
5. Transfer reading will be required post transfer completion for market participants (not AEMO)
6. Recent reading will be usable for transfer without requiring agreement (Last read date to be visible in NMI discovery)
7. Cooling off:
   - No change needed to cooling off provisions (ESC code or NERR)
   - Facility in MSATS to reverse change if customer cools off
8. Customer self-read – for use between customer and Retailer

Retail Electricity Market Regulatory Framework



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Rules principles

Why do the Rules (NER and NERR) need to change for customer transfers?

- The process and technical requirements to conduct a **customer transfer** currently sit within the Procedures.
- NER 7.8.9(1)(e) is misaligned with this approach. It introduces unwarranted prescription within the Rules

NER:

- **Remove** inefficient provisions which can inadvertently delay customer transfers [NER 7.8.9(e)(1)]
- **Redistribute** a provision which is better suited to meter churn within the regulatory framework [NER 7.8.9(e)(2)]

NERR

- **Include** explicit consideration for use of a sub-read
- **Review** NERR clauses to ensure customer protections are maintained

Outcomes – an improved transfer experience

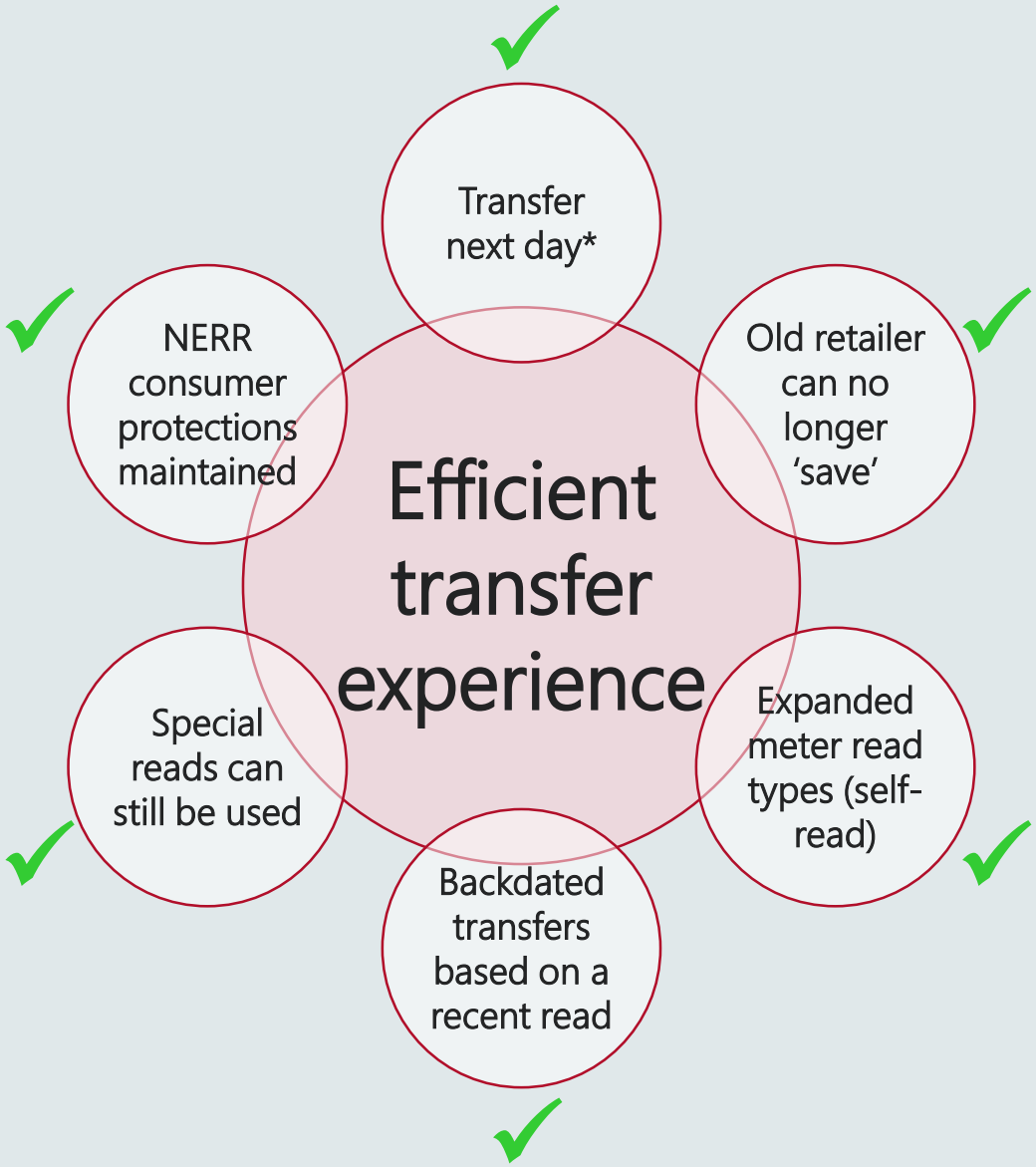


Figure 3 – Proposed customer transfer process in the NEM (other than Victoria)

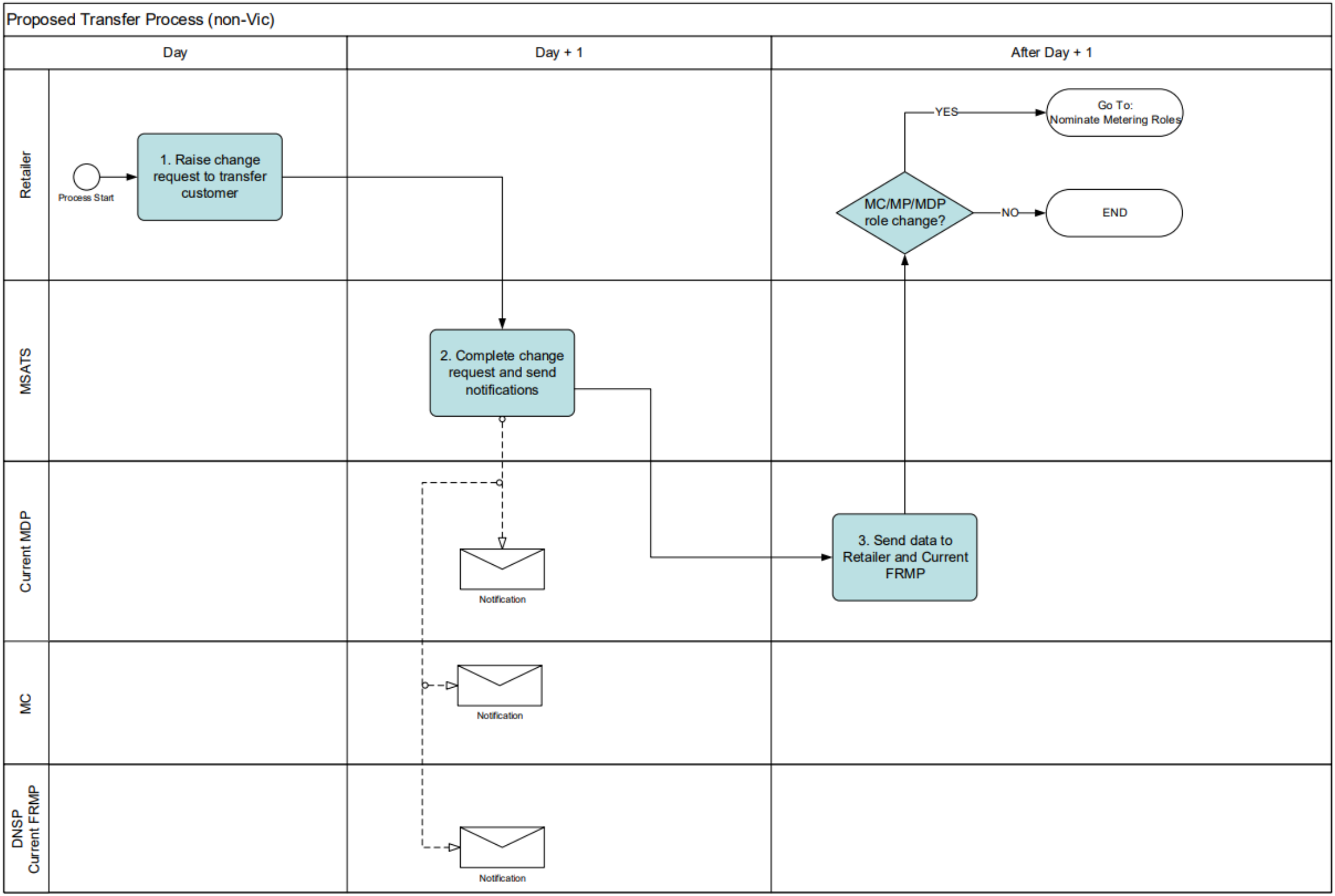
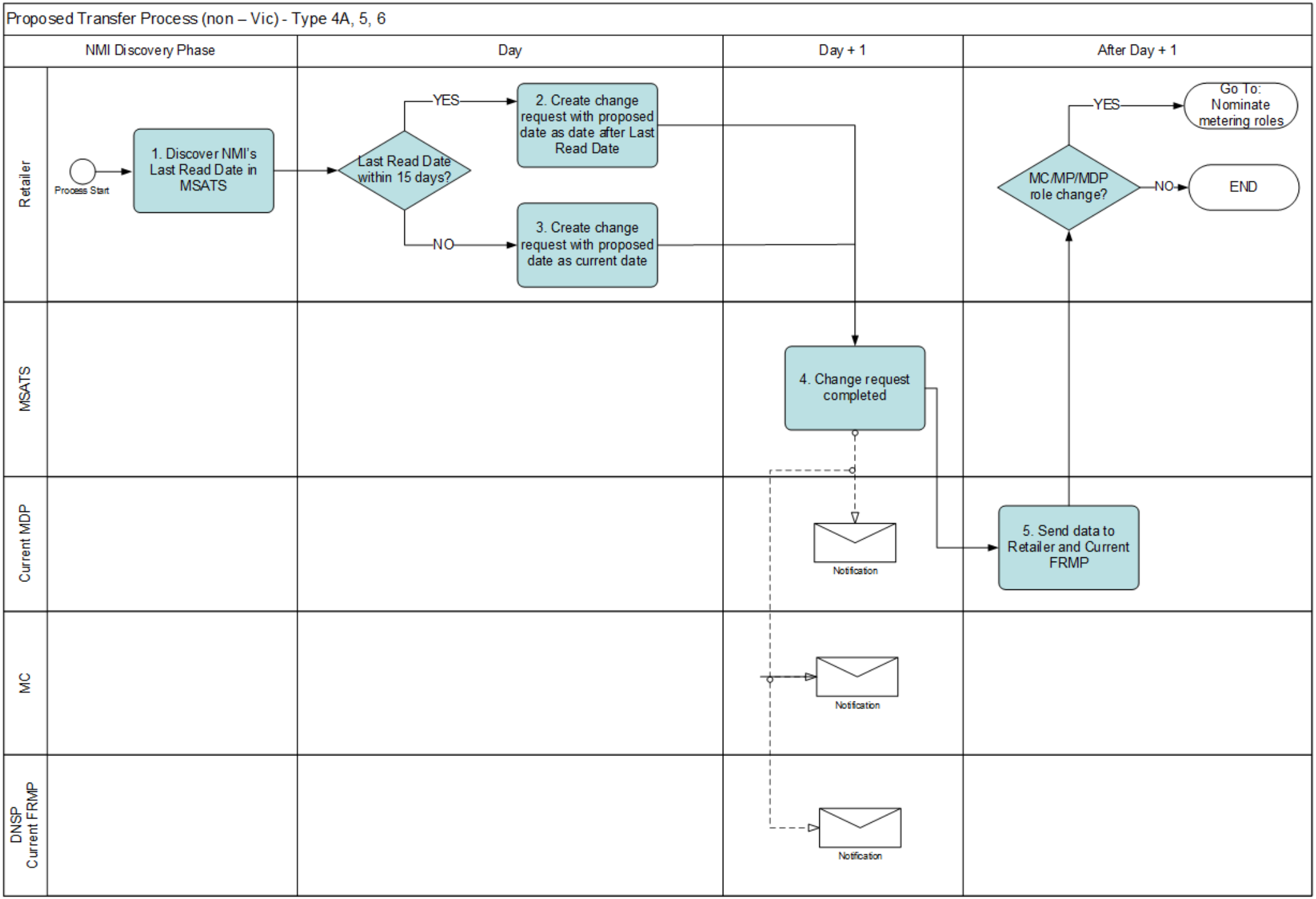
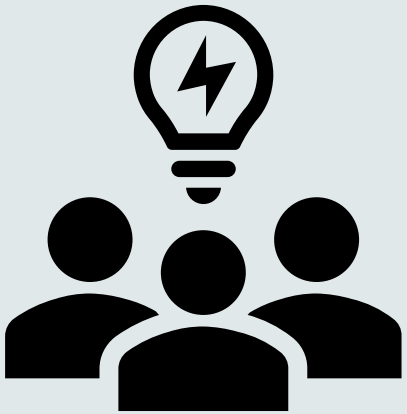


Figure 5 – Proposed customer transfer process for type 4A, 5 and 6 metering installations, with potential use of last reading



Implications for IEC?

1. AEMO's analysis has not identified any direct impact on B2B Procedures
2. Based on engagement with participants on customer switching processes, we also do not believe there are any requirements to amend or add to the B2B Procedures
3. Discussion held with B2BWG on 24 June 2019, no direct impacts identified on B2B Procedures.
4. Possible that items for consideration in B2B will arise through consultation, or post implementation.

Discussion