

RETAILER OF LAST RESORT POST IMPLEMENTATION REVIEW REPORT

January 2023

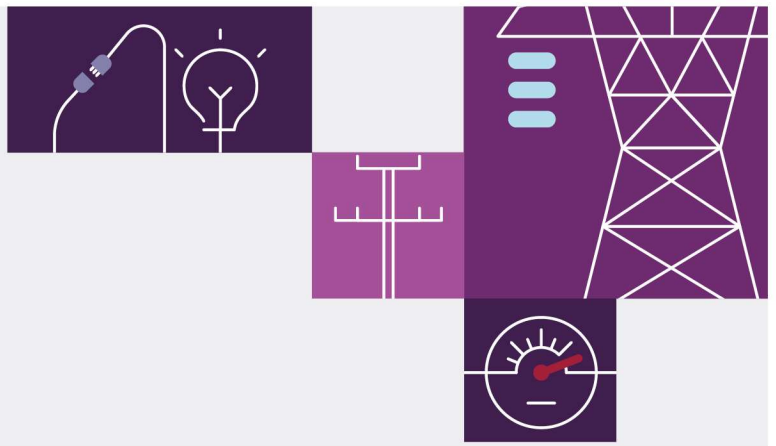
SUSPENSION OF SOCIAL ENERGY
AUSTRALIA PTY LTD FROM THE
NATIONAL ELECTRICITY MARKET IN
AUGUST 2022



AEMO

AUSTRALIAN ENERGY MARKET OPERATOR





Important notice

Purpose

AEMO has prepared this document to provide information as at the date of publication about the suspension of Social Energy Australia Pty Ltd (ACN 631 510 042) from the National Electricity Market (NEM) in August 2022 in accordance with clause 19 of the [NEM RoLR Processes Part A and Part B](#)¹ (ROLR Procedures).

This publication is generally based on information available to AEMO as at 20 February 2023 unless otherwise indicated.

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Version control

Version	Release date	Changes
1.0	25/02/2023	Initial publication

¹ https://aemo.com.au/-/media/files/electricity/nem/retail_and_metering/market_settlement_and_transfer_solutions/2022/nem-rolr-processes-part-a-and-part-b-v23.pdf?la=en

Executive summary

This report reviews the Retailer of Last Resort (RoLR) event that occurred on 25 August 2022 following the suspension of Social Energy Australia Pty Ltd (Social Energy), with the registered participant identification “SOCIALEA”, from trading in the National Electricity Market (NEM).

The suspension of Social Energy resulted in the following market impacts:

- Approximately 274 National Metering Identifiers (NMIs) were transferred from Social Energy to other retailers.
- Affected participant reconciliation reports identified:
 - Impacts to affected participants’ business-as-usual (BAU) activities were minimal.
 - NMI processing was reported as taking from 1 day to 4 days to complete.

On reviewing the RoLR event, AEMO has found that no major issues were reported for this event and the impacts of this RoLR event on participants’ BAU activities have been minimal. However, the frequency with which ROLR events have occurred gives rise to the potential for more significant impacts.

AEMO will continue to discuss with participants about ways to improve efficiency in the RoLR processes.



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ACRONYMS

Acronym	Description
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
Affected Participants	RoLR Event Affected MSATS Participants
BAU	Business-As-Usual
NEM	National Electricity Market
ROLR Procedures	NEM ROLR Processes Part A - MSATS Procedure: ROLR Procedure Part B - B2B Procedure
RoLR	Retailer of Last Resort

1 THIS REPORT

AEMO has prepared this RoLR Post Implementation Review report as a result of its review of the Social Energy Retailer of Last Resort (RoLR) event, which occurred on 25 August 2022. This report includes;

- a summary of the impact on the NEM markets,
- a review of reported issues and subsequent proposed solutions.

2 BACKGROUND

A retailer may be suspended from the NEM as a result of:

1. Having its licence to operate as an electricity retailer revoked or suspended in one or more jurisdictions; and/or
2. Being suspended by AEMO because it has defaulted in the performance of its obligations under the NEM Rules; financially or otherwise.

A RoLR is a retailer that takes over financial responsibility for a NMI. The RoLR event aims to protect customers in the event of a retailer failure. AEMO has procedures to manage this event, which are fully outlined in Section 2 of the ROLR Procedures. Once a RoLR event has been declared, AEMO notifies RoLR key contacts of the RoLR event, and distributes a summary and NMI List type reports to affected MSATS Participants. AEMO cancels all CRs where the suspended retailer is the proposed new Financially Responsible Market Participant (FRMP), and the customer remains with its current retailer. AEMO then begins an accelerated customer transfer process for NMIs with a pending transfer request away from the suspended retailer to a nominated retailer. Remaining customers are then transferred to designated RoLRs via the bulk change transfer (BCT) tool in MSATS.

Post event, Clause 19.1(a) of the NEM RoLR Procedures requires AEMO to prepare a RoLR Post Implementation review report within six months of the date the RoLR event was invoked to identify and remedy any issues.

3 METHODOLOGY

This event report is compiled from information provided by participants, with a summary of the affected NMIs, as per Clause 18.2(e) and Clause 105.3(e) of the NEM ROLR Procedures, in the 3-4 months following the RoLR event being invoked. Further, any issues raised to or by AEMO during the RoLR process are considered.

4 EVENT DETAILS

Social Energy held the participant role of Financially Responsible Market Participant (FRMP) across the New South Wales, South Australia and Queensland jurisdictions.

On 19 August 2022, Social Energy appointed an external administrator. As a result, under clause 3.15.21(f) of the National Electricity Rules, AEMO suspended Social Energy from the National Electricity Market with effect from 0:00 hours Australian Eastern Standard Time on 26 August 2022.

The AER published an official [RoLR notice](#)² on 24 August 2022 to notify all participants and market customers, and specify the RoLRs as per Schedule 1 and the transfer date as 25 August 2022. AEMO also notified MSATS participants via email that the RoLR event had occurred as required by the NEM RoLR Procedures.

AEMO delivered RoLR NMI List and Summary Reports, as detailed in Appendix 1 of the NEM RoLR Procedures on 25 August 2022, related to the suspended retailer's activities.

NMIs with pending CRs in MSATS to transfer from Social Energy to a nominated FRMP were accelerated. NMIs with pending CRs in MSATS to transfer to Social Energy from another FRMP were cancelled. Accelerated transfer reports were emailed to affected participants. Accelerated and cancelled transfers were processed on 26 August 2022.

AEMO completed BCT runs on 26 August 2022, moving Social Energy customers to their allocated RoLR (as specified by the AER in schedule 1 of the RoLR notice event) with a retrospective proposed change date of 25 August 2022.

5 MARKET IMPACT

A total of approximately 274 NMIs were transferred from Social Energy to two retailers. The retailers with the role of Designated RoLR included: Origin Energy Electricity Limited (INTLENGY and POWERCOR), and Energy Australia Pty Ltd (ENGYAUST), as specified in the AER RoLR Notice. AEMO received reconciliation reports from 15 RoLR-affected market participants. The reports indicated that:

- The estimated business process completion times described in the NEM RoLR Procedures varied from 1 day to 4 days.

No timeframe impacts on BAU MSATS-related business processes.

6 ENCOUNTERED ISSUES

No significant issues were reported.

7 RECOMMENDATIONS

This RoLR event has not substantially impacted participants' BAU processes, and there were no major issues reported. However, there is a potential for more significant impacts if an event involving a larger retailer were to occur or if the frequency of RoLR events increased.

AEMO will continue to discuss with participants about ways to improve efficiency in the RoLR processes.

² <https://www.aer.gov.au/system/files/AER%20RoLR%20-%20Social%20Energy%20Australia%20Pty%20Ltd.pdf>