

24 January 2020

Australian Energy Market Operator
Level 22, 530 Collins Street,
Melbourne VIC 3000.

Submitted by email: NEM.Retailprocedureconsultations@aemo.com.au

Dear Sir/Madam

AEMO NEM Customer Switching Draft Report and Determination

Thank you for the opportunity to provide a submission in response to the Australian Energy Market Operator's (AEMO) NEM Customer Switching Draft Report and Determination (DRD) which covers proposed amendments to the Market Settlement and Transfer Solution (MSATS) Procedures and the Meter Data File Format (MDFF) Specification NEM12 & NEM13.

Momentum Energy is a 100% Australian-owned and operated energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland and the ACT. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest producer of renewable energy.

Generally Supportive

We acknowledge the comprehensive consultation that AEMO has undertaken with retailers and other stakeholders following the release of the AEMO Switching Issues Paper and the responses submitted. This has resulted in an improved understanding of the impacts of the change request from all stakeholders and facilitated some significant amendments to the Draft Report and Determination. These amendments will deliver vastly improved outcomes for customers and participants. We are particularly supportive of the following:

- The amended timeline for implementation to at least December 2020;
- Extension of the retrospective window for transfers on actual reads to 3 months (restricted to small customers with manually read meters);
- The proposed changes to NMI Discovery, ensuring a robust solution, to providing visibility of previous actual reads and the quality of these reads when using retrospective actual reads for transfers; and
- The provision of a new transaction that reverses a completed in situ customer transfer which may be raised by the retailer which raised the completed transfer request. This will allow customer transfers to be reversed, if a customer cools off, prior to the completion of

the cooling offer period. Currently transfer reversals are challenging as they can only be raised by the original retailer.

Material Issues Discussed in the Draft Report

1. Nomination of multiple roles alongside a change of retailer

We confirm our support for Option 2 that removes the ability for Metering Coordinators (MC) to object to their appointment. Objections or changes of MCs can be suitably managed retrospectively via MSATS procedures and avoids the need for the objection process and the consequential delays this causes to the existing transfer process.

2. Notification of a pending role change

We reiterate our previous response to this item in the Issues Paper. We realise that the main objective of removing pending role change notifications is to avoid “saves” activities but we are still concerned that disconnection service orders need to be cancelled during move in scenarios where a disconnection for debt was requested. Different MCs, MPs and MDPs may be involved, for each of their respective retailers or the distributor, and the losing retailer will have no visibility of the pending move in and will be unable to fulfil their regulatory obligation to cancel the disconnection service order. This may result in the new customer moving into a property with no power and could create a wrongful disconnection penalty breach for the retailer.

Momentum would also prefer not to rely solely on Distributors (in Vic) to cancel planned disconnections as suggested in the DRD.

We believe that a one day notice of transfer, to the losing retailer, would resolve this issue without allowing sufficient time for “saves” activity to occur. Moreover all “saves” activities are likely to be banned in Victoria under proposed new regulations advised to retailers on 18 December 2019 by the Victorian government (DELWP). It is understood that the proposed transfer procedures will apply nationally but it is also clear that other jurisdictions can readily manage this activity, similar to Victoria, if necessary.

3. Objection to customer switches in Victoria based on a certified debt

The proposal to introduce a new change request code (CRC) to enable the reversal of a customer switch in place of the current objection mechanism is a reasonable alternative. However, the proposal that the new CRC must be raised no more than one business day following the completion of the customer switch is unnecessarily onerous and does not allow sufficient time for a manual assessment of any aged debt.

A manual review of the debt may actually reduce the number of aged debt reversals that a retailer activates that would otherwise be automated and we urge AEMO to increase the allowable time for this new CRC to two business days (BD).

4. Transfer of the FRMP role

While we suggested a retrospective transfer timeframe limit of 40 BDs in order to maximise the use of previous actual reads for transfers we also see merit with extending this period to the proposed three months (65 BD). This almost ensures that at least one previous actual read is available for meters read quarterly. Extending the time period does present retailers with challenges as to price

validity and lost revenue but these issues are manageable. The progressive roll out of remotely read meters will also increasingly reduce the use of retrospective reads for transfers.

Momentum reiterates our concerns with the proposal to allow estimated reads as they impose an uncontrollable risk on the losing retailer caused by the winning retailers' decision to use estimated reads. It is also likely that actual reads will replace these estimated transfer reads causing both retailers to adjust their billing. Many customers will be confused by this outcome and they may lose confidence in the process and potentially disengage from the market.

5. Technical solution for the provision of previous read dates and quality

In order to maximise the benefits of utilising retrospective meter reads for transfers reads the value and quality of these reads needs to be readily visible to prospective retailers. We confirm our support for an effective solution to this issue which includes the proposal to make this data visible via NMI discovery. While this will require a schema change it will also deliver the most efficient long term solution.

6. Amendments and removal of CRCs

All of the proposed changes to CRCs are supported including the following:

- Retention of CRC 1040 retrospective period at 10 BD so that it aligns with the retrospective period to be established in the CRC 1000;
- Removal of the embedded network CRCs; and
- Removal of CRCs 1021, 1022, 1024, 1027 and 1028 as they are redundant due to the future switching changes or used infrequently.

7. Facilitating cooling-off reversal of a FRMP change

Momentum supports the approaches proposed by AEMO that better facilitate customers' rights to cool-off by:

- Removing the current restriction from MSATS that will provide retailers with the option to complete the customer transfer within or following the completion of the cooling-off period;
- Providing a CRC that reverses a completed 1000 series change request (CR) which may be:
 - Raised by the retailer which raised the original and completed CR; and
 - which can only reverse a series CRC 1000 that has completed in the previous 10 BD; and
 - Requires no approval or action by any other market participant including the retailer that is regaining its customer.

The current process is problematic and requires contact to both retailers and an agreement from the former retailer to submit a transfer to win back the customer.

8. MC appointment objections (6000 series CRs)

Momentum supports the proposed changes to the "Declined" objection code for the 6000 series CRs. This will allow the proposed MC to object to being appointed to a connection point if they do not wish to perform this role.

9. Timing and Implementation

Momentum reiterates its support for the proposed implementation in December 2020 as the changes can also be aligned with the required transaction schema change. This was Momentum's preferred implementation time, as well as several other retailers, as there are several other market and regulatory changes scheduled for mid-2020.

Should you require any further information with regard to these issues, please don't hesitate to contact me on 0478 401 097 or email: randall.brown@momentum.com.au

Yours sincerely

[Signed]
Randall Brown
Regulatory Manager