



Meridian Energy Australia Pty Ltd  
Level 15, 357 Collins Street  
Melbourne VIC 3000

29 January 2020

Australian Energy Market Operator

To: NEM.Retailprocedureconsultations@aemo.com.au

### NEM Customer Switching - Draft Report and Determination

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group or Powershop) thanks the Australian Energy Market Operator (the AEMO) for the opportunity to provide comments in response to the NEM Customer Switching - Draft Report and Determination (the Draft Determination).

#### Background on the MEA Group

MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. Powershop is an innovative retailer committed to providing lower prices for customers and which recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system. Over the last five years, Powershop has introduced a number of significant, innovative and customer-centric initiatives into the Victorian market, including the first mobile app that allows customers to monitor their usage, a peer-to-peer solar trading trial and a successful customer-led demand response program. Powershop has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton hydro project, and funding a large range of community and social enterprise energy projects through our Your Community Energy program.

Powershop is pleased with the outcome of the Draft Determination and the pragmatic approach to revise the go-live date to December 2020. This will allow more time for retailers to implement the required system changes, amend processes and train their team on the new market switching procedures.

However, there is further clarification required on practical transactional matters such as:

- If a customer is switching on a retrospective transfer, and a de-energisation or some other form of service order has been raised (at the request of the customer or retailer), how would that service order be cancelled? This scenario does pose risks (regulatory and cost of cancelled works) and must be monitored by AEMO and other stakeholders; and
- how customers and monthly billing retailers (such as Powershop) will be impacted by potential unintended consequences of a three month retrospective switch date for manually read meters.

Powershop has provided comments below on the matters raised in this Draft Decision, including further expansion on the above dot points.

#### Nomination of multiple roles alongside a change of retailer

Powershop agrees with the draft determination of adopting option 2, being able to nominate a Metering Coordinator through a CR1000 series transaction.

#### Notification of a pending role change

As stated in our Issues Paper submission, Powershop supports the intent of this change and is of this view that this technical change could make the switching process more efficient for customers and promote competition.

It is important to note that valuable feedback was raised by other retailers regarding the scenario of a customer switching prior to or during any planned service works at their address. While Powershop agrees with AEMO's view that "*it is reasonable to consider that they (retailers) would have processes in place to prevent that work from proceeding*", it is important to understand that these processes only work if there is sufficient time to act.

There will be fringe cases where work may not be able to be stopped due to remote installations, or technicians are not able to be contacted while in transit etc. This should be monitored by AEMO and stakeholders, and acted upon with a technical solution if there is a sufficient need to do so.

Objection to customer switches in Victoria based on a certified debt

Powershop agrees with the draft decision.

Transfer of the FRMP role

#### Remote meters

As stated in our response to the Issues Paper, Powershop's view is that the intent of the change was to speed up the switch for customers who do not have a remote read capable meter. Having a 10 business day retrospective switch window for remotely read meters adds unnecessary complexity. Powershop support a next business day switch (allowing for the midnight cutover) as this meets the intent of the rule without overly complicating the change.

#### Manual meters

Powershop agrees with the draft decision to be able to retrospectively switch a manually read meter customer. However, as a monthly billing retailer, Powershop is concerned about the potential sub-optimal customer experience due to billing reversals. The unintended customer consequence of this change must be considered by Ombudsman schemes when dealing with billing complaints associated with a retrospective switch.

Despite the concerns for customers of monthly billing retailers with the proposed 90 day timeframe in the draft decision, Powershop prefers the retrospective switch approach over the estimated read approach. Powershop advised in its response to the Issue Paper<sup>1</sup> that customers have a dislike of estimate reads, despite customer acceptance of them in other energy markets overseas and AEMO's position that there was enough evidence to use an estimate read to switch.

Technical solution for the provision of previous read dates and quality

Powershop agrees with the draft decision to provide previous read dates and quality flags via NMI discovery rather than via a secondary mechanism.

Amendments and removal of CRCs

Powershop agrees with AEMO's amendments and removals of CRC's in the draft decision.

Facilitating cooling-off reversal of a FRMP change

Implementing the new CRC 1060 and separating the 'reversal' CRCs from error correction CRCs in MSATS makes sense in the context of this rule change, and Powershop agree with this draft decision.

If you would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely,



Haiden Jones  
Operations Manager  
Meridian Energy Australia  
Powershop Australia Pty Ltd

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<sup>1</sup> Powershop submission to the 'Customer Switching in the NEM Issues Paper' 29 November 2019, page 1 "*Energy and Water Ombudsman of NSW (EWON) 2018-19 Annual Report confirmed that EWON received only 375 complaints regarding a delayed transfer, compared with over 2,000 relating to estimate reads*"