

1 September 2023

Ms Lisa Shrimpton  
Project Sponsor  
Australian Energy Market Commission  
GPO Box 2603  
Sydney NSW 2000

Online via: <https://www.aemc.gov.au/contact-us/lodge-submission>

Dear Lisa

### **ERC 0346 - Directions Paper – Unlocking CER benefits through flexible trading rule change**

Thank you for the opportunity to comment on this directions paper for the Unlocking CER benefits through flexible trading rule change.

The comments set out in this letter reflect the views of the Energy and Water Ombudsman Queensland (EWOQ), Energy & Water Ombudsman South Australia (EWOSA), Energy & Water Ombudsman NSW (EWON), and Energy & Water Ombudsman Victoria (EWOV). We are the industry-based external dispute resolution schemes for the energy and water industries in Victoria, New South Wales, South Australia and Queensland.

EWOQ, EWON and EWOSA have previously provided detailed comments in December 2022 as part of the consultation on the proposed rule change.

We have collectively reviewed the directions paper and note and agree with feedback around the consumer protection issues, complexity and implementation challenges (both technical and operational) in introducing the arrangements to Residential and Small Business Consumers.

We welcome the Commission's initial view to not progress AEMO's specific proposal for multiple service providers with secondary meters at small customer premises at this time.


With regards to large customers, we acknowledge that the reason for progressing the options for large customers is, in part, due to large customers not being included in many of the key consumer protections in the NECF. Please note EWON's charter provides them with the jurisdiction to take complaints from both small and large business customers in certain circumstances. EWON's complaints show that, in practice, the classification of business customers in the energy market can be a complex issue, and often results in business customers being classified incorrectly, or having their classification changed after a period of time. For example, where:

- *a small business customer moves into a site previously occupied by a large energy user.*
- *a small business customer is offered a large market contract by their retailer due to an absence of historical energy use data.*


If elements of AEMO's FTM2 model is progressed for large business customers, we would suggest the AEMC consider how this model will operate where a small business customer has been incorrectly classified as a large energy user. EWON can provide further information or case studies if needed.

If you require any further information regarding our submission, please contact Mr Jeremy Inglis, Manager Policy and Research (EWOQ) on 07 3087 9423, Mr Antony Clarke, Policy and Research Officer (EWOSA) on 08 8216 1861, Mr Ben Martin Hobbs, Policy Insights and Engagement Manager on 03 8672 4239, or Dr Rory Campbell, Manager Policy and Systemic Issues (EWON) on 02 8218 5266.

Yours sincerely




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