

29 January 2020

Meghan Bibby
Australian Energy Market Operator
20 Bond Street
Sydney NSW 2000



Dear Ms Bibby,

Submission to draft rule determination on reducing customers' switching times.

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to the Australian Energy Market Operator's (AEMO) consultation on Reducing Customers' Switching Times Draft Determination.

PIAC broadly supports AEMO's proposed procedure changes and considers they will contribute to better consumer outcomes by reducing switching times for customers wishing to change electricity retailers.

The draft determination allows for transfers within the cooling-off period by establishing a new automatic 'reversal' code that is separate from the error correction code. We noted in our submission to the Issues Paper that allowing switches during the cooling off period warranted further consideration but could place an administrative burden on retailers that would be passed through to consumers. We support the proposed changes, but consider AEMO should monitor the administrative impact of the procedures to learn of any unintended outcomes that may erode the consumer benefit.

The draft determination extends the timeframe for retrospective transfers to 3 months. We agree this may improve customer outcomes by providing a smoother transfer process and reducing reliance on estimated reads, however, similarly, we recommend AEMO monitor the impacts on retailers, particularly administrative costs, losing retailer market exposure and customer credit/payment plans.

PIAC notes the timing for implementation of the proposed changes to AEMO procedures and systems has been deferred from May 2020 to December 2020 to align with the five-minute settlements program of work. We highlight AEMO has simplified the design provided in the Issues Paper, which will reduce the amount of change required to implement the new processes. Considering this lowered burden on retailers, PIAC is not convinced the implementation timeframe should be extended to December 2020 as this withholds benefits from consumers to avoid what may be minor costs to retailers.

Level 5, 175 Liverpool St
Sydney NSW 2000
Phone: 61 2 8898 6500
Fax: 61 2 8898 6555
www.piac.asn.au
ABN: 77 002 773 524

We welcome AEMO's consideration of the impacts of proposed changes for customers with payment plans, debts, or with disconnections pending, and broadly consider the changes in process provide adequate safeguards against related negative customer outcomes.

PIAC would welcome the opportunity to meet with the AEMO and other stakeholders to discuss these issues in more depth.

Yours sincerely,

Anna Livsey
Policy and Communications Officer
Public Interest Advocacy Centre

Phone: 02 8898 6520

Email: alivsey@piac.asn.au