

24 August 2015

Richard Webster
Manager Regulatory Reporting
Essential Services Commission of South Australia
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By email: escosa@escosa.sa.gov.au

Dear Mr Webster

Review of the REES Guideline – Draft Decision

Momentum Energy welcomes the opportunity to provide comments in response to the Commission’s Draft Decision on its Review of the REES Guideline – Statistical Information (the Draft Decision).

Momentum Energy is a second tier retailer authorised to sell electricity in Victoria, New South Wales, South Australia, Queensland and the Australian Capital Territory, and gas in Victoria and South Australia. Momentum is fully owned by Hydro Tasmania, the largest clean energy producer in Australia.

The key issues associated with the process covered by the current version of the Statistical Information Guideline (the Guideline) stem from the parameters set down by the relevant legal framework. That is, the inflexibility across compliance years that is the key problem with this scheme cannot be rectified by amendment to this Guideline. However, lack of clarity within the inaugural version of the Guideline in early 2015 clearly caused confusion and evidently a lack of consistency of approach across relevant retailers. We note that many of the amendments proposed in the Draft Decision would codify procedures that the Commission developed in early 2015 in concert with retailers.

Actual consumption

We see the sense in the change of approach from “sales for bills issued during the relevant period” to “actual consumption during the period”. We note that the proposed draft amended Guideline does not address a situation where not every meter covered by a large customer contract is an interval meter. That is, some large customers have one or a small number of NMIs with an old accumulation meter, and the usage at such NMIs is billed either on a pro-rated estimated basis each month (with amendment after a meter read, noting that such sites tend to have a consistent load profile) or on an actual basis after a meter read (which is likely to be every three months). We suggest that it would be appropriate for the Guideline to explicitly allow for both approaches. In order to allow for actual financial year consumption data to be finalised, the end of September would a more appropriate reporting deadline. Provision for accumulation meters in the Guideline is still necessary even if the reporting deadline is kept at 31 August.

Confidentiality

We also suggest amendment to the draft proposed amended Guideline in relation to confidentiality. Specifically, proposed amended clause 1.3 implies that any reported information that is not clearly identified as confidential could be publically released by the Commission. Given that clause 1.2.2 states that information collected under the Guideline will only be used to determine the retailer's REES obligations, it is not clear why retailers should be required to specify which pieces of information should be treated confidentially. It should be assumed that data relating to designated sales, which is highly sensitive information, has been provided to the Commission in confidence. The onus should not be placed on the retailer to identify that such information should be treated confidentially. If the Commission seeks to use some pieces of data for a purpose other than determination of retailers' REES obligations, the Guideline should be amended to specify the particular data, its proposed use, and how it would be presented (that is, whether it would be aggregated, or de-identified). In our view, the Guideline should then state that all other designated sales information reported by retailers will be treated confidentially.

Annualisation

We support-in-principle a change to the REES legal framework to support competition via some sort of annualisation of designated purchases, along the lines of ERMS's proposal. However, it is clear that further discussion as to the appropriate mechanism will be necessary.

If you would like to discuss this submission or any other matter, please contact me on (03) 8612 6437 or luke.brown@momentum.com.au.

Yours sincerely



Luke Brown
Regulatory Manager