

UFE REPORTING GUIDELINES

PROCEDURE CONSULTATION

SECOND STAGE PARTICIPANT RESPONSE
TEMPLATE

Participant: Red Energy and Lumo Energy

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1. Context

This template is to assist stakeholders in giving feedback about the changes detailed in the draft procedures associated with the UFE Reporting Guidelines consultation.

The changes being proposed are because of NER rule changes (3.15.5B) which have occurred, requiring the creation and changes to AEMO's Retail Electricity Market Procedures and the following proposed changes by proponents and AEMO to implement recommended process improvements.

AEMO is required to produce Unaccounted for Energy (UFE) Trends Reports to provide information and analysis of UFE in each local area to facilitate the management and efficient decrease in UFE over time.

In accordance with NER 3.15.5B, at least once each year, AEMO must in accordance with the UFE reporting guidelines, prepare and publish on its website a report setting out:

- AEMO's summary and analysis of the total unaccounted for energy amounts in each local area over the reporting period
- AEMO's analysis of the unaccounted for energy amounts in each local area in the reporting period against benchmarks determined by AEMO acting reasonably;
- AEMO's analysis of the sources of unaccounted for energy in each local area;
- AEMO's recommendations to improve visibility of unaccounted for energy in each local area; and
- AEMO's recommended actions to reduce the amounts of unaccounted for energy in each local area

The creation of the UFE reporting guidelines is the subject of this consultation. AEMO considers that the content of the UFE reporting guidelines forms the basis of UFE Trends Reports, as required under the NER.

2. Feedback on Reporting Purpose and Scope

Description	Participant Comments
<p>AEMO intends to publish UFE Trends Reports by 1 May each year. Stakeholders are requested to accept this proposal or provide details supporting a different date for the publication of the UFE Trends Report in the future.</p>	<p>Red Energy and Lumo Energy (Red and Lumo) support a publication date of 1 May each year for the UFE Trends Reports. We would strongly recommend that AEMO also publish the Loss Factors on 1 May each year.</p> <p>The preference for 1 May (or earlier), for both the UFE Trends Reports and the Loss Factors, is to allow time for the information to be evaluated and accounted for when assessing the financial impacts on items being reviewed around the same period - such as VDO and DMO. Both inputs are critical and dependent to make an accurate assessment.</p> <p>Can AEMO please confirm if they are able to also deliver the Loss Factors on this date?</p>

3. Feedback on Reporting UFE Analysis

Description	Participant Comments
<p>Illegal energy consumption has been identified as a source of UFE that should be ranked as top priority variable to be investigated. As there is no head of power placing an obligation on a specific party to manage the discovery of illegal energy consumption and AEMO has no visibility of illegal energy consumption, stakeholders are requested to provide details of a systematic way to discover illegal energy consumption.</p>	<p>The main starting point for identification & confirmation of illegal consumption are the networks. Red and Lumo recommend that AEMO works together with networks to develop a systematic approach of having the information provided to them.</p>