

NEM B2B Issue-Change Form



ISSUE / CHANGE FORM – SUMMARY SECTION (Template focuses on issue/change identification and impact.)

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| Issue Number (IEC Secretariat to complete) | | | |
| Version # | 1.0 | | |
| Proponent Name | Dino Ou | Company | Endeavour Energy |
| Proponent Title | Clarify what date can be provided with a de-registration LSN | Proponent Contact No | 0423299750 |
| Proponent email | dino.ou@endeavourenergy.com.au | Date lodged with IEC | 08/11/2019 |
| Procedure(s) or other documents Impacted | <input checked="" type="checkbox"/> B2B Procedure Customer and Site Details Notification Process <input type="checkbox"/> B2B Procedure Service Order Process <input type="checkbox"/> B2B Procedure Meter Data Process <input type="checkbox"/> B2B Procedure One Way Notification Process <input type="checkbox"/> B2B Procedure Technical Delivery Specification <input type="checkbox"/> NEM RoLR Processes Part B <input type="checkbox"/> B2B Guide <input type="checkbox"/> Other, please specify: | | |
| Areas Impacted | (I.e. Section No.) Section 4.5 (Life Support Notification) | | |
| Short Description / Title | Clarify what date can be provided with a de-registration LSN | | |
| Other key contact information | | | |

| VERSION # | PRESENTED TO | DATE |
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ISSUE / CHANGE – DETAILED REPORT SECTION

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| <p>1. Detailed description of Issue / Change</p> | <p>Section 125 of the NERR defines the scenarios and the steps that must be completed before a retailer or distributor can deregister a customer's premises from their life support register. When a customer's premises is deregistered then the retailer or distributor must notify the other party of the date of deregistration and reason for deregistration within 5 business days of the date of deregistration.</p> <p>The communication of the date of deregistration and reason for deregistration is within scope of the B2B Life Support Notification (LSN) transaction defined in the B2B Procedure Customer and Site Details Notification Process document.</p> <p>Section 4.5.d of the B2B Procedure states:</p> <p>[Guidance Note 2] Where the Retailer or DNSP has completed the deregistration process for a Life Support customer they must send the other party an updated LifeSupportNotification.</p> <p>Some participants have taken the view that a deregistration LSN can only be sent when the initiator of the deregistration LSN has successfully completed the deregistration process defined in section 125 of the NERR and therefore a future date should not be provided with a deregistration LSN.</p> <p>Other participants have taken the view that there is nothing in the Rules or Procedures preventing them from notifying another party that they have started the deregistration process and therefore they can communicate a deregistration LSN with a future date, with this future date being the date they intend to register the customer's premises from their life support register if the deregistration process successfully completes.</p> <p>This is causing inconsistencies across industry on the process for communicating deregistration which puts at risk a life support customer being deregistered prematurely.</p> |
| <p>2. Market Impact</p> | <p>Market participants have designed their systems and procedures on different views on what is allowed and not allowed to be sent for a deregistration LSN. For example, some retailers are sending a deregistration LSN with a future date because they have not yet successfully completed their deregistration process, and some distributors have setup their system to deregister the customer's premises from their life support register on the date they receive the deregistration LSN as they were not expecting a future dated deregistration date.</p> <p>This is causing extra manual work and has led to several participants self-declaring breaches to the AER.</p> |

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| 3. Requirements / Specific Proposal | <p>The B2B Procedure to make clear the following:</p> <ul style="list-style-type: none"> • When a deregistration LSN can be sent and when it cannot be sent • What dates can be provided with a deregistration LSN |
| 4. Proposed Solution/s | <p>(Must address the B2B Procedures)</p> <p>Solution options are:</p> <ol style="list-style-type: none"> 1. Make the B2B Procedure clearer by stating that a deregistration LSN cannot be sent unless the initiator has successfully completed the deregistration process with their customer, as defined under section 125 of the NERR. This option would mean that a deregistration LSN must never have a future deregistration date, only a current or past date. 2. Make the B2B Procedure clearer by stating that a deregistration LSN can be sent prior to the initiator successfully completing the deregistration process with their customer, as defined under section 125 of the NERR. <p>This option would mean that a deregistration LSN can have a future deregistration date and therefore it is the recipient's responsibility to consider the date provided in the deregistration LSN prior to the recipient updating their own life support register.</p> <p>Note that under this option, the B2B Procedure must also make it clear that the initiator is still required to send another deregistration LSN when the initiator has successfully completing the deregistration process (as defined under section 125 of the NERR) and actually deregister the customer's premises from their life support register.</p> <p>This means that participants need to cope with future dated de-registrations (effectively ignore or exception them) and only process current or past dated LSNs.</p> <p>It should be noted, that in either option it is always the initiator's responsibility to complete all the necessary pre-requisite deregistration steps defined in the NERR prior to sending a deregistration notice to the other party. In addition, in either option it is always the recipient's responsibility to validate a deregistration notice received and only update their life support register if it passes validation.</p> <p>Option 1 aligns with Section 125 of the NERR.</p> <p>Option 2 also aligns with Section 125 of the NERR and provides for an early notification that a party has or will start the deregistration process. This early notification can minimise the occurrence of two parties starting the deregistration process at the same time and therefore minimise customer confusion.</p> |

| | <p>However, the occurrence of two parties starting the deregistration process at the same time is highly unlikely due to who can initiate the deregistration process under each scenario defined in the NERR:</p> <ul style="list-style-type: none"> • section 125(4): only the retailer, as the registration process owner, can initiate the deregistration process for this scenario. • section 125(5): only the distributor, as the registration process owner, can initiate the deregistration process for this scenario. • Section 125(9): only the retailer, upon advice by the customer, can initiate the deregistration process for this scenario. • Section 125(10): only the distributor, upon advice by the customer, can initiate the deregistration process for this scenario. • Section 125(14): only the distributor, upon information from MSATS, can initiate the deregistration process for this scenario. <p>The risk of both the retailer and the distributor initiating the deregistration process at the same time can only occur under section 125(9) and 125(10), in which is unlikely because in practice the customer usually only advises their retailer and even if they advised both their retailer and distributor they would be made aware by both their retailer and distributor to expect communication from each of them.</p> <p>Based on the above, option 1 is preferred as there is minimal benefit of the additional early notification provided by option 2.</p> <p>The following organisation supports this ICF and option 1:</p> <table border="1"> <thead> <tr> <th>NETWORK</th><th>RETAILER</th></tr> </thead> <tbody> <tr> <td>Endeavour Energy</td><td>AGL</td></tr> </tbody> </table> | NETWORK | RETAILER | Endeavour Energy | AGL |
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| NETWORK | RETAILER | | | | |
| Endeavour Energy | AGL | | | | |
| 5. Law/Rule and clauses enabling change | <p>(Must address head of power in governing law/rule)</p> <p>Section 125 of the NERR</p> <p>Section 7.17.4 of the NER</p> | | | | |
| 6. B2B communication benefits | <p>(Must address B2B Principles)</p> <p><u>B2B Principles</u></p> <p>B2B Procedures should:</p> <ul style="list-style-type: none"> • provide a uniform approach to B2B Communications in participating jurisdictions; • detail operational and procedural matters and technical requirements that result in efficient, effective and reliable B2B Communications; • avoid unreasonable discrimination between B2B Parties; and • protect the confidentiality of commercially sensitive information. | | | | |

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| | <p>The proposed change supports the following B2B principles:</p> <ul style="list-style-type: none"> • a uniform approach to B2B communications in participating jurisdictions; and • detailed operational and procedural matters and technical requirements that result in efficient, effective and reliable B2B communications <p>by making it clear when a deregistration LSN can and cannot be sent and what date must be provided</p> |
| 7. Market benefits for industry as a whole | <p>(Must address National Electricity Objective and/or National Energy Retail Objective requirements)</p> <p>NEO: the objective of this Law is to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to: (a) price, quality, safety, reliability, and security of supply of electricity; and (b) the reliability, safety and security of the national electricity system.</p> <p>NERO: The objective of this Law is to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.</p> <p>The proposed change will make it clear when a deregistration LSN can and cannot be sent and what date must be provided. This will help to provide a consistent industry process for communicating deregistration and thus reduce manual work resolving exceptions.</p> |
| 8. Customer benefits (consumers) | The proposed change will help life support customers from being deregistered prematurely and thus receive life support protection until the completion of the deregistration process |
| 9. Consequence/Impact of issue not proceeding | Risk of participants breaching their obligations which may lead to life support customers not receiving life support protection until the completion of the deregistration process |
| 10. Workaround/s (if necessary) | <p>Retailers and distributors review and if necessary update their systems and procedures to complete all the necessary pre-requisite deregistration steps defined in the NERR prior to sending a deregistration notice to the other party.</p> <p>Retailers and distributors review and if necessary update their systems and procedures to validate a deregistration notice received and only update their life support register if it passes validation.</p> |
| 11. Supporting Documentation (attach if necessary) | AER letter regarding de-registration of life support customers without pre-requisite customer communications |
| 12. Any critical timelines to consider? | As this issue has an impact to life support customers, this proposed change should be considered immediately. |

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| 13. IEC's preliminary assessment of the proposal | (This is to be left blank) |
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NEM ISSUE / CHANGE – RELEVANT ATTACHMENT(S)

ATTACHMENT A

Proposed changes: {*Procedure Name*}

~~Red strikeout~~ means delete and

blue underline means insert

Proposed changes to clause 4.5.d of the B2B Procedure Customer and Site Details Notification Process document:

[Guidance Note 2] ~~Where the Retailer or DNSP has completed the deregistration process for a Life Support customer they must send the other party an updated LifeSupportNotification.~~ The Retailer or DNSP must only send a LifeSupportNotification with a LifeSupportStatus of Deregistered when they have successfully completed all pre-requisite steps under rule 125 of the Retail Rules. The date in the DateRequired field must only be a current or past date, and not a future date.