

Our Ref: 18:D22:24272

Market Operator
Northern Territory Electricity System and Market Operator (NTESMO)
By email: market.operator@powerwater.com.au

Dear Market Operator

RE: SUBMISSION TO NTESMO – COMMUNICATIONS GUIDELINE AND MSATS PROCEDURES V1.0 DRAFT REPORT AND DETERMINATION

Thank you for providing the opportunity to provide feedback to NTESMO's Communications Guideline Draft Report and Determination (Draft Determination). Below provides the Commission's comments on the Draft Determination, particularly in relation to potential inconsistencies with the Electricity Retail Supply (ERS) Code and life support processes.

Inconsistencies with the ERS Code

The Commission is aware of stakeholder uncertainty and concern regarding potential inconsistencies between the Communications Guideline and ERS Code. As you know, the Commission is undertaking a review of the ERS Code, which includes consideration of Power and Water Corporation's (PWC) late submission proposing amendments to the ERS Code to accord with the NTESMO Communications Guideline and associated Market Settlement and Transfer Solutions (MSATS) Procedures. While the Commission's ERS Code draft decision is not yet finalised, the Commission can advise that it supports removing duplication or potential inconsistencies from the ERS Code on commencement of the Communications Guideline as appropriate.

The Commission expects to publish its ERS Code draft decision and proposed amendments to the ERS Code prior to the end of the 2022 calendar year. The draft decision, once published, should provide stakeholders with more certainty as to how the Commission considers the two instruments, and associated processes and obligations, should relate, noting stakeholders will be able to make a submission on the ERS Code review draft decision if there are any concerns.

Life support equipment processes

The Commission is concerned about potential inconsistencies and confusion between the Communications Guideline and ERS Code in relation to life support equipment obligations and processes. The risks to customers requiring life support equipment at their premises need to be managed carefully.

The Commission acknowledges NTESMO's active engagement with the Commission to date on its intended adoption of the Communications Guideline, and that NTESMO has made changes to the proposed Communications Guideline to align with the ERS Code, particularly in relation to life support equipment processes. However, as this is the last opportunity to formally provide feedback for consideration before NTESMO makes its final determination, the Commission advises that it has identified two MSATS Procedures guidance notes that may cause confusion for market participants in relation to life support equipment obligations and processes in the Communications Guideline vs the ERS Code, which should be addressed by NTESMO.

Firstly, clause 4.6(b) of the B2B Procedure Customer and Site Details Notification is a guidance note that states the “Recipient of a valid LifeSupportRequest must provide a LifeSupportNotification and use best endeavours to respond within 1 business day and no later than 5 business days” (previously this was ‘within 2 business days and no later than 5 business days’). While the ERS Code does not include a similar provision for the recipient of a valid LifeSupportRequest, the ERS Code does include timeframe obligations in relation to life support equipment notifications between the retailer and the network provider, which is 1 business day. The Commission considers the guidance note has the potential to be misinterpreted and may lead to uncertainty about life support equipment obligations and should be rewritten or deleted by NTESMO, noting clarity is vital to protect life support equipment customers.

Secondly, clause 4.7(b) of the B2B Procedure Customer and Site Details Notification is a guidance note that states current retailers and distribution network service providers must conduct a reconciliation of Life Support Details at least quarterly. While the Commission supports regular reconciliation of life support equipment registers, it notes that an equivalent obligation does not exist in the ERS Code. From the Commission’s perspective, this appears to be a new obligation for market participants, however as it is in a guidance note, it is unclear. NTESMO should clarify or delete the guidance note so as not to confuse market participants as to their life support equipment obligations, noting clarity is vital to protect life support equipment customers.

In relation to protecting life support equipment customers, the Commission notes the Draft Determination indicates NTESMO will consider stakeholder suggestions for how to implement the new Communications Guideline life support process and data reconciliation through NTESMO’s market readiness process. Given there will be an increased risk to life support customers during the change process, the Commission strongly recommends NTESMO work closely with market participants and put in place an agreed risk mitigation strategy, including a plan on how ERS Code compliance (and thus life support equipment customer protections) can be maintained should issues be identified during and directly following the transition.

As a final point in relation to life support equipment customer protections, to assist NTESMO in making its final determination and provide certainty to market participants, the Commission advises that it does not intend to make any amendments to the life support equipment provisions in the ERS Code to account for NTESMO’s Communications Guideline and MSATS Procedures.

Should you have any questions regarding this submission, please contact the Director Utilities Commission, Ms Kimberlee McKay on 08 8999 7476 or kimberlee.mckay@nt.gov.au.

The Commission appreciates and looks forward to the continued engagement with NTESMO on its proposed Communications Guideline and associated MSATS Procedures.

Yours sincerely



Lyndon Rowe
Utilities Commissioner

6 October 2022