

## IN003/20 – Gas Life Support Supplementary Questionnaire

Responses to be emailed to [grcf@aemo.com.au](mailto:grcf@aemo.com.au) by due **COB 31 March 2020**.

Review comments submitted by: Alinta Energy

Date: 31/03/2020

Contact Person: Stephanie Lommi and Shaun Cupitt

Topic	Please Provide Response Here
<b>Question 1 – Benefits of change</b>	
<p>Please provide, in detail, what benefits the change will have on your organisation (in terms of efficiency, customer benefits, privacy, etc.). If any monetary benefits are provided (e.g. in terms of annual FTE savings), these will be kept confidential.</p>	<p>Alinta Energy supports this initiative.</p> <p>The current solution that was deployed is not fit for purpose and was only ever meant to serve as an interim solution, it is not a reliable, effective and efficient process and Alinta Energy believes there is substantial measurable benefits in ensuring the same protections and supporting processes that have been afforded to electricity customers are also afforded to gas. In additional, the high-level benefits are;</p> <ul style="list-style-type: none"> <li>• The estimated savings to our business based on the current volumes (which are expected to increase based on Victoria implementation) is [REDACTED] per annum</li> <li>• The significant savings are the potential non-compliance savings due to a reliable transaction</li> <li>• A B2B solution for life support will limit the risk of process errors that could result in the disconnection of gas supply for a life support customer. The risk to reputation and of potential fines for regulatory breaches will be minimised.</li> <li>• The current email based manual life support process is prone to errors due to inconsistent CSV file formats requiring manual system upload.</li> <li>• There are potential privacy issues when dealing via email with the current process.</li> </ul>

	<ul style="list-style-type: none"> <li>• Supports retailers and distributors processes meeting regulatory obligations.</li> </ul> <p>It is important to note that as part of the pre-consultation all involved industry participants indicated unanimous support for the deployment of life support transactions into B2B.</p> <p>AEMO's concerns raised in the issue paper pertaining to a single participant who supports the initiative but has indicated cost to deploy based on their individual vendor has returned a significant figure, in our opinion does not constitute as significant evidence that this change is not in line with the NGO.</p> <p>Alinta Energy urges AEMO and participants to consider these changes in the same light as per our electricity implementation, which is to complement and support processes and compliance with the overall objective of providing vulnerable customers with adequate protections.</p> <p>Every participant will be burdened with a cost to deploy however, the pay-back period in consideration of FTE, internal process and potential compliance issues savings should be considered. It is also imperative that a single Tier 1 retailer is not seen to be blocking a supported solution due to constraints by their vendors and should consider the impacts this would have on other market participants and customers.</p>
<b>Question 2 – Costs of change</b>	
<p>Please provide what costs the change will create for your organisation as an order of magnitude (i.e. "low", "medium", or "high"). If any monetary values (e.g. once-off implementation costs, and any ongoing annual cost) are provided (e.g. in terms of the cost of system changes), these will be kept confidential.</p>	<p>Alinta Energy are currently undergoing an extensive re-design and implementation of a new retail system. The proposed timeframes that we expect this change along with potentially other changes (Gas Harmonisation) will be factored into our system releases in order to deliver a cost effective and compliant solution for our business, and our customers.</p> <p>In the long term, the cost of not implementation this change will have detrimental monetary impacts to not only pour future build for a gas solution to support manual extensive processes outside of a system, but also will occur significate annual cost on staff</p>

	to support and ensure compliance monitoring of all manual transaction in order to identified potential issues. We would not carry the same monetary burden through a harmonised electricity and gas B2B solution.
<b>Question 3 – Volume of gas life support customers</b>	
Please provide the volume of gas life support customers your organisation currently has registered. Please also provide the average rate of gas life support registrations and deregistration’s per month for your organisation, as well as any notes you would like to provide on how AEMO should interpret these data.	Alinta Energy are currently in the process of reconciling all life support customers in both NECF and Victoria states and cannot provide the requested information at this time.  However, we can advise AEMO that the volumes are significantly growing and expected to grow further through the implementation of Life Support protections in Victoria. It is also important to note, that as the current process for life support notifications are not mandated in the retail market procedures, we believe there may be significant number of customers where a life support notification has not been sent or may not have been received by email and therefore cannot guarantee that industry participants are able to correctly provide volumes that would be a reflection of future B2B transaction volumes.
<b>Question 4 – Alternatives to LSN and LSR</b>	
If AEMO decides not to recommend the adoption of LSN and LSR, will your organisation likely make any changes to your existing implementation of the Gas Life Support Industry Guide process?. If so, provide details on the type of changes you intend to put forward.	If AEMO decides not to adopt <b>both</b> the LSN and LSR suite of transactions and processes then Alinta Energy can confirm that we would undergo a review into the Gas Industry Guide including a proposal to significantly rework the following including incorporating; <ul style="list-style-type: none"> <li>• Detailed process for deregistration by the RPO</li> <li>• Detailed process registration by RPO</li> <li>• Detailed process for registration or notification from DB where not the RPO</li> <li>• Occupier Accounts and Where DB advises of Life support (Previous retailer is the RPO)</li> <li>• Provisions for escalation of enforcing security of sensitive customer data being transmitted through non secure networks and other potential mechanisms for transferring information ( MIBB etc.)</li> </ul> The above is a high-level summary and we would be happy to discuss further however; we don’t believe the industry guide currently outlines the next level of detail that is required in order to support the current issues we are seeing in the market.
<b>Question 5 – Value Rating (1-7)</b>	

Please indicate your organisation's value rating if the proposal to adopt the LSN and LSR aseXML transactions proceeds, as compared with the status quo or the alternative(s) identified in Question 4. Please select one of the following.

Rating	Description
1 =	Large negative outcome if proposal proceeds
2 =	Moderate negative outcome if proposal proceeds
3 =	Small negative outcome if proposal proceeds
4 =	No net benefit or cost if proposal proceeds
5 =	Small positive outcome if proposal proceeds
6 =	Moderate positive outcome if proposal proceeds
7 =	Large positive outcome if proposal proceeds

Value Rating

7

**Question 6 – Any other comments?**

Does your organisation have any other comments that it wishes AEMO to consider in its formulation of the IIR?