

Consultation Questions

Submitter	Metrix
-----------	--------

Question	Comment
Q1. How material are the constraints to consumers establishing multiple trading relationships at a single connection identified above?	We agree that there are significant limitations in the Code which inhibit multiple trading relationships being established. The current relationships are very binary, with an MEP providing data to a single retailer per ICP; multiple ICPs would have to exist on a site to enable multiple retailers to trade with a single consumer, the benefits of which may be limited. If complex multiple trading relationships are to exist in the future, significant changes will need to be undertaken by the whole industry.
Q2. Are there other constraints that prevent multiple trading relationships from efficiently occurring? If so, please describe them.	Uncertainty exists whether the benefits of multiple trading relationships will be adequate to justify significant effort and cost needed to make it a reality. In particular, it is not clear if there will be adequate market demand.
Q3. What do you consider to be the benefits of multiple trading relationships?	Metrix views opening up the market to multiple trading relationships to be an interesting and exciting opportunity for change in the industry and would allow for more customer choice and flexibility. The question nevertheless needs to be answered whether the cost/benefits equation stacks up for the appropriate level of complexity and granularity of new arrangements. Any consideration of the benefits must (attempt to) take into account the size of the likely demand given the costs are likely to impact the whole market.
Q4. What other services could be enabled by reducing or removing the barriers to multiple trading relationships?	We believe the benefits as identified in the consultation document are broadly correct. It is clearly difficult to foresee the exact kind of innovation that may result as some of those may not exist today. It is nevertheless difficult to fully estimate the benefits that new players to the industry might bring.
Q5. What changes, if any would be needed to the switching and disconnection/reconnection processes if a consumer were able to have multiple retailers?	Changes required would depend on the level of complexity of new arrangements. To this end, Metrix suggests that a working group be formed to perform an impact assessment (including cost benefit analysis) of different levels of complexity. Previous consultations have alluded to intra-day switching per register (i.e. multiple reconciliation traders/day/register). The detailed impact assessment should determine the tangible consumer benefits versus the cost to the market, for varying levels of complexity in trading relationships. This would provide sufficient info for the market to determine what level of granularity trading relationships should be established that provide sufficient tangible benefit to consumers, taking into account the associated costs to the market (and ultimately end consumers) of the required changes. The level of change required to

		switching and disconnection/reconnection processes varies significantly depending on the level of complexity in trading relationships.
Q6.	What other data exchange processes that have not been identified in this paper need to be changed to accommodate multiple trading relationships?	As with Q5, this would depend on the level of complexity of the new arrangements. Metrix is prepared to provide data to support multiple trading relationships within the context of appropriate commercial agreements and in accordance with Privacy Act requirements.
Q7.	How could the data exchange processes be modified to accommodate multiple trading relationships?	As an MEP, there is limited impact on Metrix from modifications to the EIEPs, hence Metrix defers to other impacted participants to advise.
Q8.	What other services, if any, would have to share costs between multiple users?	Any costs currently carried by the Trader for an ICP. MEP costs include anything associated with site visits, or in lieu of (e.g. remote disco/reco), tampering of meters, lost assets etc. Other MEP costs include load control/data services and meter lease fees.
Q9.	How could the cost of these services be shared amongst multiple users?	<p>The preferred cost sharing mechanism for individually triggered MEP activities (e.g. site visit, remote disco/reco, lost assets) that benefit multiple trading participants, should be advised by the parties who will bear the costs i.e. the trading participants and hence Metrix does not wish to put forth an approach. However Metrix would like to request that the billing complexity be considered to ensure no unnecessary costs to implement, which would inadvertently end up being passed through to the consumer.</p> <p>For regular MEP services such as equipment lease, load control and data, Metrix will apply a service based fees approach in line with current commercial constructs.</p>
Q10.	Could consumer data be more efficiently shared with service providers that have a legitimate claim for access to their consumer's data? If so, how?	While data sharing could always be more efficient, in our view the problem should first be clearly defined, in particular after the intended model (and level of granularity) have been determined. Consideration should then be given to what is already allowed within the current rules and where any gaps exist. Metrix's view is that data sharing should take place within the context of commercial arrangements and privacy requirements.
Q11.	How much value is there in making it easier for appropriately authorised firms to access information such as a consumer's tariff structure, the smart meter functionality that is used by the consumer's MEP, a consumer's controllable appliances?	A detailed market assessment is required to investigate if there is sufficient value in making significant changes to the market. As per Q5; Metrix suggests a working group made up of various participants to be formed to answer these questions. Metrix is willing to support assessment/trials with the EA as an MEP representative.
Q12.	Are there other industry participants that may need to amend their	Nothing to add at this stage.

	systems to operate in an environment with multiple trading relationships?	
Q13.	What are the costs of the above changes recognised in questions 10-13?	<p>It is very hard to quantify as there is insufficient information until a detailed assessment is undertaken. The costs will be dependent on the complexity of proposed changes. However, there is a need to keep changes relatively simple, and make changes only where there is sufficient value.</p> <p>It is noted that prior changes such as those associated with Part 10 implementation in 2013 were far more complex and costly than initially suggested.</p>
Q14.	What other obligations need to change if multiple traders can serve an ICP?	Nothing to add at this stage.
Q15.	How could the obligations discussed above be amended to accommodate multiple traders at an ICP?	Nothing to add to prior statements. Retailers/new industry players may be better placed to answer.
Q16.	What costs would be involved in amending consumer-related responsibilities to accommodate multiple traders at an ICP?	Nothing to add to prior statements. Retailers/new industry players may be better placed to answer.
Q17.	What additional matters would need to be considered if we were to introduce multiple trading relationships? What amendments would need to be made to the Code to facilitate multiple trading relationships?	Unable to comment until the level of complexity is determined based on the impact assessment and associated cost benefit analysis. Metrix would expect a further round of consultation after more clarity is provided on the intended model.
Q18.	What is the cost of the changes needed to enable multiple trading relationships?	See Q17