

14 January 2016

Mr John Pierce
Chairman
Australian Energy Market Commission
Level 6, 201 Elizabeth Street,
Sydney NSW 2000

ERC0181: Draft Determination on Multiple Trading Relationships

Dear Mr Pierce

ENA welcomes the opportunity to comment on the Australian Energy Market Commission (AEMC) draft determination on Multiple Trading Relationships (MTR). ENA has been engaged with the AEMC and other stakeholders throughout the extensive period of consultation on MTR. We have greatly appreciated the open and comprehensive engagement undertaken by the Commission in this process.

ENA fully endorses the decision of the AEMC not to make a draft rule in relation to the MTR rule change request and agrees with the Commission's reasoning that this is not required as:

- » it is unlikely to deliver cost savings to most customers seeking to engage with multiple retailers, to materially reduce entry costs for new energy service providers or to facilitate increased service innovation and competition in the electricity retail market.
- » adopting the proposed framework included in the rule change request could also increase the complexity of retail arrangements for customers, resulting in further difficulties in correctly transferring market loads, and increased transaction costs.
- » implementation of the rule change request would require retailers and distributors to incur significant new costs to update relevant IT systems and operational processes, costs which would be borne by all customers in the form of increased electricity prices. Consequently, while there may be some direct cost savings for a small number of customers, all other customers would be likely to face an increase in retail electricity prices but receive no benefit.
- » focus on the successful design and Implementation of other Power of Choice reforms currently underway (such as the expansion of competition in metering and related services) is a higher immediate priority at this time.

We remain committed to working with the AEMC to bring forward improvements in energy service delivery outcomes in the long term interests of customers. Given the challenging timeframes and workload required to deliver the series of other major reforms underway, ENA looks forward to future close engagement with the Commission on these significant matters.

Yours sincerely



John Bradley
Chief Executive Office