



5 October 2016

Ms Natalie Robins  
Economic Regulation Authority  
PO Box 8469  
Perth BC WA 6849

By email: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

Dear Natalie

### **Transition of Operation of Gas Retail Market Scheme from REMCo to AEMO – Issues Paper**

Alinta Sales Pty Ltd (**Alinta Energy**) is the incumbent gas retailer in Western Australia (**WA**) and is a member of the Retail Energy Market Company Limited (**REMCo**), the gas retail market operator in WA. Under the WA gas retail market scheme (**scheme**), REMCo administers the business processes between gas market participants, enabling retailers to cost effectively compete for the supply of gas to over 735,000 customers. The interaction between gas market participants is governed by the REMCo Retail Market Rules (**Rules**).

Alinta Energy supports the rule change proposal submitted by REMCo to the Economic Regulation Authority (**ERA**) on 2 September 2016 proposing to transition responsibility for the operation of the scheme from REMCo to the Australian Energy Market Operator (**AEMO**) from 31 October 2016. The motivation to transfer REMCo's administrative functions to AEMO is to achieve greater efficiencies, expertise and independence in the WA gas retail market.

Alinta Energy fully supports:

- Transition of responsibility for operation of the scheme from REMCo to AEMO from 31 October 2016;
- Replacement of the existing REMCo Constitution by the WA Gas Retail Market Agreement; and
- Amendments to the Rules, including:
  - Rebranding the Rules as Retail Market Procedures (**Procedures**) to align with AEMO terminology;
  - Changes to aspects of the current compliance process, so that an independent compliance panel will have the power to make all decisions on alleged breaches of the Procedures, with the ability to delegate to AEMO;
  - Changes to aspects of the current rule change process, including transforming the current decision-making Rule Change Committee into a consultative Procedure Change Committee; and
  - Changes related to the treatment of small users and self-contracting users, giving AEMO the discretion to charge these members lower fees.

Alinta Energy believes the proposed transition from REMCo to AEMO has been carefully considered and that all members of REMCo have been given appropriate opportunity to provide input to the proposed changes.

If you have any questions concerning this submission please contact me on 9486 3191 or [catherine.rousch@alintaenergy.com.au](mailto:catherine.rousch@alintaenergy.com.au) .

Yours sincerely



**Catherine Rousch**  
Manager Regulatory Compliance  
Alinta Energy