



19 April 2024

Independent Pricing  
and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop, NSW, 1240s

Sent via email to: [essregulator@ipart.nsw.gov.au](mailto:essregulator@ipart.nsw.gov.au)

RE: Operational changes to scheme participant compliance processes consultation.

## About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint.

Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia<sup>1</sup>, Shell Energy offers integrated solutions and market-leading<sup>2</sup> customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120-megawatt Gangarri solar energy development in Queensland. Shell Energy also operates the 60MW Riverina Storage System 1 in NSW.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

## General Comments

Shell Energy welcomes the opportunity to respond to the Independent Pricing and Regulatory Tribunal NSW (IPART) consultation on operational changes to scheme participant compliance processes.

Shell Energy supports the introduction of the proposed changes and considers that they will reduce regulatory burden on market participants by simplifying the audit process. Shell Energy encourages IPART to retain a level of flexibility in the calculation of acquisitions, by retaining the option for market participants to calculate their total acquisitions by using the existing method if they choose to.

---

<sup>1</sup>By load, based on Shell Energy analysis of publicly available data.

<sup>2</sup> Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.

## Shell Energy Feedback to Consultation

### **AEMO market purchase data**

Shell Energy supports the proposed change to provide gross electricity market purchase data. The change will streamline the process for market participants and simplify the audit process where gross electricity market purchase data is used. This is particularly beneficial for PDRS, where the existence of non-interval meters means that market participants must use a degree of estimation when calculating their non-market acquisitions. Shell Energy considers that there is an immaterial difference between the use of gross imports and derived liable acquisitions.

Shell Energy suggests that while gross electricity market purchase data should be provided to market participants, flexibility should remain whereby market participants are able to use net electricity purchase data and self-report their imports to the grid. This would ensure that where the net figure is different to a market participant's own calculations and they are able to show their calculations to an acceptable standard as required by an auditor, that participants are able to use this figure instead of the figure provided by AEMO.

### **Audit requirements**

Shell Energy considers that any attempt to reduce unnecessarily high regulatory burden and cost on scheme participants should be welcomed, and we support the revised audit requirements. Shell Energy agrees that moving to provide market participants with gross electricity market data will provide impetus for the revised audit requirements.

### **Compliance timeline**

Shell Energy supports the combined ESS and PDRS compliance cycle and encourages IPART to keep the compliance timeline unchanged.

Shell Energy thanks IPART for the opportunity to provide comment on this process and we welcome further engagement. If you would like to discuss any parts of the submission, please contact me at

[REDACTED]

Yours sincerely,

Libby Hawker

General Manager – Regulatory Affairs and Compliance