



28 October 2024

The Department for Energy and Mines

By email: dem.consultation@sa.gov.au

Review of South Australian National Energy Retail Law (Local Provisions) Regulations 2013

Alinta Energy welcomes the opportunity to provide comment on the consultation paper the "Review of South Australian National Energy Retail Law (Local Provisions) Regulations 2013".

As an active investor in energy markets across Australia with an owned and contracted generation portfolio of more than 3,000MW and 1 million electricity and gas customers, Alinta Energy has a strong interest in policies and regulation governing the retail energy market.

The National Energy Retail Law (Local Provisions) Regulations 2013, apply or modify how the National Energy Customer Framework operates in South Australia. As an overarching principle any jurisdictional divergence or derogation of regulatory instruments that govern the operation of the National Energy market should be avoided. Such derogations should only exist where there is a genuine unique need for such a divergence.

Alinta energy's detailed comments on the consultation paper are contained in the following submission. Should you have any questions or wish to discuss any aspect of our submission I may be contacted on [REDACTED] or via email:

Yours sincerely

[REDACTED]
Shaun Ruddy
Manager National Retail Regulation

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Regulation 3 — Interpretation

We understand this relates to the addition of the term “Hydrogen Park South Australia Project” to the Regulations as part of the reforms to extend the national gas regulatory frameworks to other gases.

As such we agree with the proposal to retain this regulation in its current form.

Regulation 4 — Application of NERL (SA) to Cockburn

Agree with the proposal to continue with the current arrangements for retailing electricity in Cockburn.

Regulation 5 — Consumption thresholds

This regulation determines the upper annual electricity consumption threshold used to determine whether a business customer in South Australia is classed as a small or large electricity customer.

Currently, the South Australian upper threshold sits at 160 MWh per annum, significantly higher than the 100 MWh per annum threshold prescribed in the NECF. As noted in the paper, other NECF jurisdictions such as ACT, NSW and QLD all apply the 100 MWh per annum as their threshold.

There is little evidence to suggest the continued need for South Australia to maintain a significantly higher threshold than that which exists in the other NECF jurisdictions. Therefore, we believe the regulation that prescribes the 160 MWh per annum threshold should be omitted such that the upper threshold limit in South Australia defaults to the NECF threshold.

This will ensure greater consistency across NECF jurisdictions, improving efficiency, improvement in the level of competition, the simplification of product offerings, allowing retailers to have more consistent product offering across NECF jurisdictions.

Regulation 5A — Natural gas equivalent

We understand this Regulation prescribes the gas bled produced by Australian Gas Networks as part of the HyP SA Project. The Regulation was made as part of the package of amendments to extend the national gas regulatory framework to hydrogen and other gasses.

As such we agree with the proposal to retain this regulation in its current form.

Regulation 6 — Local area retailers

This regulation nominates the local area retailer responsible for having a standing offer for new electricity and gas small customers. This regulation currently nominates AGL and Origin Energy for electricity and gas respectively.

We see no need for a change to this current arrangement, and therefore agree with the proposal to re-make this regulation nominating AGL for electricity and Origin for natural gas and natural gas equivalents.

Regulation 6A — Tariff structures

This regulation prescribes the tariff structures as part of the Smarter Homes reforms and ensures that retailers make offers that reward customers for shifting electricity use to low demand periods. These regulations prescribe certain tariff structures for residential and business customers on standing offers.

Given the significant market changes associated with product and tariff offerings since the inception of Regulation 6A, and noting the current consultations around the AEMC considering consumer protection regulations to support the roll-out of smart meters, which include standing offer requirements, Regulation 6A is no longer required.

As such we would support the option to omit the regulation and no longer prescribe any tariff structure.

Regulation 7 — Minimum customer service standards

Regulation 7 sets additional minimum service standards that are applied to retailers selling energy to small customers in South Australia. Whilst the NECF jurisdictions do not mandate a similar level of service standards, this does not necessarily equate to consumers in the NECF jurisdictions receiving a lesser level of service standards.

Customer service levels are a key differentiator in a competitive energy market, and retailers are incentivised to ensure the highest level of customer service is provided at all times. Not to do so risks customers choosing alternate retailers who offer a high level of customer service.

As such the continued need for a differentiated level of customer service standards in South Australia is no longer required.

We therefore support the proposal to omit the regulation and no longer prescribe separate minimum service standards for South Australia.

Regulation 8 — Extreme weather events

Support the proposal to retain the current definition of extreme weather event

Regulation 9 — Re energisation after de energisation

Support the proposal to retain South Australian standards for re-energisation in their current form.

Regulation 10 — Immunity in relation to electricity supply failure

Support the proposal to re-make the regulation 10 in its current form.

Regulation 11 — Prepayment meter systems

Support the proposal to continue to allow the use of prepayment meter systems in South Australia through the re-making of regulation 11.

Regulation 12 — Price comparator

Support the proposal to continue to adopt the AER's price comparator service (Energy Made Easy) for South Australia through the re-making of regulation 12.

Regulation 13 — Gas RoLR procedures

Support the proposal not to re-make regulation 13 as it is no longer required.

Regulation 14 — Variation of National Energy Retail Rules

Regulation 14(a) – Small market offer customers

Support the proposal to re-make regulation 14(a) in its current form, consistent with South Australia's application of the NERL.

Regulation 14(b) and (d) – Notice of planned interruptions

Support the proposal to discontinue the existing derogation by not re-making regulation 14(b) and (d)

Regulation 14(c) – Liability cap for electricity distributor

No comment.

Regulation 15 — Variation of National Gas Rules

As regulation 15 was in place to support transitional arrangements at the commencement of NECF, and as these transitional arrangements are no longer required, we support the proposal to not re-make this regulation.

Regulation 16 — Standing offers

As regulation 16 was in place to support transitional arrangements at the commencement of NECF, and as these transitional arrangements are no longer required, we support the proposal to not re-make this regulation.