

25 October 2024

South Australian Department of Energy and Mining

Sent via email: [dem.consultation@sa.gov.au](mailto:dem.consultation@sa.gov.au)

Dear Sir/Madam,

*Review of the National Energy Retail Law (Local Provisions) Regulations*

SA Power Networks welcomes the opportunity to provide feedback to the Department of Energy and Mining (DEM) on its review of the *National Energy Retail Law (Local Provisions) Regulations 2013*.

SA Power Networks provides electricity to around 900 000 household and business customers throughout South Australia, within the framework of the *National Energy Retail Law*. We have considered the proposed changes in the context of our ability to continue to provide safe and reliable power in a way which is efficient and equitable for South Australians.

Feedback is provided below on specific aspects of the review.

**Regulation 3 – Interpretation**

SA Power Networks supports retaining the interpretation of ‘Hydrogen Park South Australia project’ in its current form.

**Regulation 4 – Application of NERL (SA) to Cockburn**

SA Power Networks supports the continuation of the current arrangement for retailing electricity in Cockburn.

**Regulation 5 – Consumption thresholds**

SA Power Networks strongly supports the retention of the current upper consumption threshold for small customers. The 2025-30 Tariff Structure Statement (TSS) proposed by SA Power Networks to the Australian Energy Regulator is based on tariff classes which distinguish small energy consumers from large consumers, with small consumers being defined as per the current regulation. These elements of the TSS have been accepted by the AER in its September 2024 Draft Decision. The 160MWh p.a. threshold allows SA Power Networks to develop network tariff structures that are fit for purpose.

**Regulation 6 – Local area retailers**

SA Power Networks supports the remaking of Regulation 6 with AGL as the local electricity retailer and Origin Energy as the local gas retailer for South Australia.

**Regulation 6A – Tariff structures**

SA Power Networks supports the policy intent behind Regulation 6A and acknowledges that it has promoted the development of Time of Use (ToU) standing and market retail offers in South Australia. We note the low number of consumers currently on standing offers and encourage the Government to consider changing the regulation to prescribe retailers’ market offers to include SA Power Networks

network tariff structures for small electricity consumers in South Australia. Consumers benefit from market competition, and this would ensure consumers are able to compare retail offers with the same network tariff structures from a wide variety of retailers.

Currently retail offers are largely based on the Residential ToU and Small Business ToU default network tariff structures. SA Power Networks has also developed 'prosumer' network tariffs which will be effective from 1 July 2025. These network tariff structures were developed with consideration to the energy transition and the electrification of homes, businesses and transport by the small electricity consumer. These prosumer tariffs aim to incentivise consumers to utilise the network outside of the four-hour peak demand window (5pm to 9pm). Residential customer impact analysis completed as part of our TSS development for 2025-30 shows that 75% of customers would have savings on their distribution network bill under this prosumer tariff structure with no changes in behaviour. With the potential for such savings for the consumer we think it is important for this tariff to be incorporated into a retail offer and offered by more retailers. To date, SA Power Networks is aware of only a handful of retailers who currently offer the prosumer tariffs to residential and small business customers.

#### **Regulation 7 – Minimum customer service standards**

SA Power Networks supports the retention of the Retailer minimum customer service standards. The standards applied to Retailers for telephone and written enquiry responsiveness align to the minimum standards applicable to SA Power Networks as defined in the Electricity Distribution Code by the Essential Services Commission of South Australia. This alignment ensures a uniform level of service delivery to all electricity customers in South Australia.

#### **Regulation 8 – Extreme weather events**

SA Power Networks supports customer protections for extreme weather events (heatwaves) through the prohibition of de-energisation (or disconnection) of premises of small customers for non-payment of a bill during extreme weather events.

SA Power Networks however notes that currently, the local provisions define heatwave conditions based solely on weather forecasts for the Adelaide metropolitan area. This definition offers limited protection to customers in regional districts experiencing heatwave conditions that do not impact metropolitan Adelaide.

The Bureau of Meteorology provides weather forecasts for 15 South Australian districts, which could be leveraged to better align disconnection-for-non-payment regulations with district-specific weather conditions. This would offer more relevant protections for customers residing outside the Adelaide metropolitan area.

SA Power Networks recommends revising the current heatwave definition to ensure protections extend statewide, addressing heatwave conditions across all districts rather than being restricted to those affecting metropolitan Adelaide.

#### **Regulation 9 – Re-energisation after de-energisation**

SA Power Networks supports the retention of the re-energisation standards for premises that have been de-energised for failing to make a payment of a specified kind. However, we recommend that clearer obligations be placed on Retailers and Metering Providers when remote re-energisations fail.

As the adoption of smart meters and remote disconnection/re-energisation services increases, it is essential to establish a robust system that ensures a seamless customer experience. This system must address remote re-energisation scenarios, prioritising customer access to power and continue to be in line with South Australian standards for re-energisation following disconnection due to non-payment.

The Australian Energy Market Commission's Competition in Metering rule change, effective from December 1, 2017, permits Retailers and Metering Providers to perform remote de-energisation and



re-energisation. However, manual services remain the responsibility of distributors, who manage these processes onsite, offering more immediate validation and troubleshooting than remote services currently allow.

Present systems struggle to quickly resolve failures in remote re-energisation, particularly because of inadequate after-hours customer service support, including the need for physical site attendance when reconnection fails. Since the introduction of these remote procedures in South Australia, numerous incidents have left customers without power for extended periods, including overnight. The absence of sufficient after-hours support forces customers to plead for help from SA Power Networks, adding pressure on standby emergency resources to resolve preventable issues, particularly for vulnerable customers.

To address the challenges surrounding remote reconnection, the governance of performance standards for remote disconnection and re-energisation should be strengthened. Specifically, service standards should be updated to ensure out-of-hours customer site visits and fault investigations are mandatory when remote re-energisations fail. Clearer obligations must be placed on Retailers and Metering Providers, aligning service standards with re-energisation processes following disconnection for non-payment.

#### **Regulation 10 and 14(c) – Immunity in relation to electricity supply failure and distributor liability caps**

SA Power Networks strongly supports the remaking of Regulation 10 for distributor immunity and liability caps, in relation to electricity supply failure, along with any necessary change to Regulation 14(c) which retains the current model terms and conditions in our deemed standard connection contracts. Any change to the current liability limits would materially alter SA Power Networks' risk profile, which could have a material impact on insurance costs which would ultimately be borne by South Australian electricity customers.

#### **Regulation 11 – Pre-payment meter systems**

While noting the potential disadvantages of using pre-payment meter systems outlined in the Consultation Paper, and also that no grid-connected customers in South Australia currently use pre-payment meters, we support the maintenance of pre-payment meter systems as a future option for electricity customers in South Australia. We therefore support the proposal to re-make this regulation to continue to permit the use of prepayment systems in South Australia.

#### **Regulation 12 – Price comparator**

SA Power Networks has been strongly advocating for the SA Government to consult with community and industry on developing an independent energy advisory service which can provide trusted and unbiased information to customers and support an efficient and affordable energy transition in South Australian households and businesses.

While we support the adoption of the Australian Energy Regulator's price comparator as a baseline tool, we maintain our customer-supported position that South Australian Government leadership is required to design a fit-for-purpose State-based body, which can help customers navigate energy complexity, make interventions to optimise energy use and save money, and access resources which can support this.

This position is summarised in our response to the Green Paper on the Energy Transition, and most recently in our letter to the Energy Minister, dated 6 September 2024.

#### **Regulation 13 – Gas RoLR procedures**

While not a participant in the gas market, based on the rationale in the Consultation Paper that the Gas RoLR procedures Regulation was a transitional arrangement which is no longer required, the proposal to not remake this Regulation seems justified.



## **Regulation 14 – Variation of National Energy Retail Rules**

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

We support discontinuing the derogation for SA Power Networks from providing 4 days' notice of planned interruptions of less than 15 mins. The prime reason for this original derogation was to reduce costs to SA Power Networks and customers, when we were obligated to replace customer metering. As responsibility for all meter changes has now transferred to retailers, this derogation is no longer required.

### *Regulation 14(c) - Liability cap for electricity distributor*

Refer comments under Regulation 10 above.

## **Regulation 16 – Standing offers**

This Regulation was a transitional arrangement to support customers undergoing an offer process prior to the commencement of the National Energy Customer Framework (NECF) and is no longer required. We support its removal.

## **Small compensation claims regime**

SA Power Networks notes that the Department is separately consulting on amendment Regulations to adopt the NECF's small compensation claims regime in South Australia. These amendment Regulations will vary the current Local Provisions Regulations before they are entirely remade in September 2025.

SA Power Networks strongly supports invoking the small compensation claims regime in South Australia. It will compensate customers for small claims relating to electrical appliances damaged from electrical infrastructure where SA Power Networks is not negligent, and those damages are not covered by customers' insurance.

SA Power Networks notes and supports the remaking of the Local Provisions Regulations in 2025 will necessarily include regulations relating to the small compensation claims scheme.

## **Other matters**

We note the remade regulations are planned to come into effect by 1 September 2025. If possible, we would advocate for the new regulations to take effect from the commencement of the 2025-30 regulatory period on 1 July 2025. This would then align with the commencement of other regulatory changes, notably the new network tariff structures and changes to customer connection contracts and improve customer outcomes and experience.

Thank you again for the opportunity to provide feedback on this review. If you wish to discuss this submission, in the first instance please contact Richard Sibly, Head of Regulation on [REDACTED] or [REDACTED]

Yours sincerely



Jessica Morris  
CHIEF CUSTOMER AND STRATEGY OFFICER

