

25 October 2024

11 Newton Street
Cremorne
VIC 3121

Department for Energy and Mining
Level 4, 11 Waymouth Street, Adelaide
GPO Box 320, Adelaide SA 5001

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

Dear Sir/ Madam

Review of South Australia’s National Energy Retail Law (Local Provisions) Regulations 2013 - Consultation Paper - September 2024

Energy Locals Pty Ltd (ACN 606 408 879) (**Energy Locals**) welcomes the opportunity to provide feedback to the Government of South Australia in relation to the Review of South Australia’s National Energy Retail Law (Local Provisions) Regulations 2013 - Consultation Paper (**Consultation Paper**).

Energy Locals is an authorised electricity and gas retailer that supports customers directly as well as via partnerships with newcomers to the energy retail sector, such as RACV, Indigo Power, Cooperative Power, Tesla, and others.

In the table below, we have outlined our position on each regulation listed in the Consultation Paper. For many items, we have not provided a comment as we do not have a strong position.

Regulation	Energy Locals’ position
Regulation 3 — Interpretation	No comment.
Regulation 4 — Application of NERL (SA) to Cockburn	No comment.
Regulation 5 — Consumption thresholds	<p>We do not recommend prescribing a new consumption threshold and consider that, to reduce the administrative burden on retailers, the current threshold should remain, or the threshold should be omitted altogether to align with the thresholds applied under the National Customer Energy Framework (NCEF) in other states.</p> <p>We acknowledge that a lower threshold of 100 megawatts per year could allow some business customers to access tariffs that may be available only to large business customers. It would also ensure alignment with other NCEF states which generally reduces administrative costs for retailers.</p> <p>However, our concern with altering the threshold is the requirements associated with transitioning customers affected by a change in their retail classification. As outlined in the Consultation Paper, “<i>the affected customers would need to be transitioned to a new retail contract of the relevant type as they would cease to be eligible for their current retail offer.</i>”¹ This could be administratively cumbersome for retailers and benefit the larger retailers that tend to focus on the energy volume opportunity associated with larger customers.</p>
Regulation 5A — Natural gas equivalent	No comment.

¹ Review of South Australia’s National Energy Retail Law (Local Provisions) Regulations 2013 P.26, p.8.

Regulation 6 — Local area retailers	No comment.
Regulation 6A — Tariff structures	<p>We acknowledge and appreciate that in considering tariff structures the South Australian government will take into account the AEMC’s final determination for the Accelerating smart meter deployment rule change request. In this regard, Energy Locals has strongly opposed the AEMC’s recent proposal to prohibit retailers from passing on network tariffs without explicit informed consent. In our submissions to the AEMC, we have stressed the importance of retailers being able to pass on network costs, as these are entirely outside of a retailer’s control. Given the significant number of meter replacements that will occur over the acceleration period, retailers will face substantial commercial disadvantages if they are unable to pass on network tariffs to customers.</p> <p>Furthermore, we see no point in government and regulators pushing networks to deploy cost-reflective tariffs if another set of rules require retailers to hide the inherent price signals in those tariffs from customers who, in many cases, have the ability to change their usage behaviour to take advantage of cheaper times of day.</p> <p>We, therefore, support the proposed requirement to prescribe a time of use tariff structure for both residential customers and small business customers in accordance with the network tariff structure published by SA Power Networks. This approach provides a refreshing level of clarity and consistency, ensuring that retailers can effectively manage network costs while customers benefit from appropriate tariff signals.</p>
Regulation 7 — Minimum customer service standards	<p>Energy Locals strives to adhere to and maintain high customer service standards. However, where possible, we seek consistency across jurisdictions and prefer reporting burdens to be minimised as any additional obligation is an administrative cost which is ultimately passed on to the end customer. We also agree with the suggestion in the Consultation Paper that <i>“removing these service standards entirely could benefit retailers, by reducing jurisdiction-specific compliance and reporting obligations”</i>.²</p> <p>Energy Locals therefore supports the removal of these service standards.</p>
Regulation 8 — Extreme weather events	Energy Locals is supportive of the proposal to retain the current definition of extreme weather event. We take caution when progressing disconnections and agree that disconnections should not occur when there is a heatwave.
Regulation 9 — Re-energisation after de-energisation	Energy Locals is conscious on the uptake of smart meters associated with the accelerated deployment rule changes and recognise that it is an important consideration for the government when prescribing rules. We do not, however, consider that different timeframes need to be prescribed for remote re-energisations and are supportive of the current standards for arranging re-energisation.
Regulation 10 — Immunity in relation to electricity supply failure	No comment.
Regulation 11 — Prepayment meter systems	No comment.
Regulation 12 — Price comparator	We support the proposal to re-make this regulation to continue to adopt the AER’s price comparator in South Australia. We appreciate alignment across

² Ibid, p.14.

	states and consider that a different comparator process in South Australia would add administrative burden to retailers and cost to taxpayers.
Regulation 13 — Gas RoLR procedures	No comment.
Regulation 14(a) – Small market offer customers	While Energy Locals, where possible, appreciates consistent application of the NERL across NECF jurisdiction, we are supportive of the proposal to re-make regulation 14(a).
Regulation 14(b) and (d) – Notice of planned interruptions	<p>We support the proposal to discontinue this derogation by not re-making regulation 14(b) and (d).</p> <p>As mentioned above, we seek alignment, where possible with the other NECF jurisdictions. We also agree with the comments in the Consultation Paper on feedback provided by retailers in 2020 that ‘<i>South Australian Customers should be afforded the same protections as customers in other NECF jurisdictions</i>’.³</p> <p>We agree that given retailers are required to “<i>provide written notice for planned interruptions for metering work, SA Power Networks should have the same obligation for distributor-initiated interruptions</i>”.⁴</p> <p>In this regard, we agree with the suggestion that, if this regulation were to continue, that retailers should be afforded the same exemption as distributor (for retailer-initiated planned interruptions of less than 15 minutes duration associated with metering works).</p>
Regulation 14(c) – Liability cap for electricity distributor.	As above, we support alignment across states
Regulation 15 — Variation of National Gas Rules	No comment. We support the proposal to not remake this regulation
Regulation 16 — Standing offers	No comment. We support the proposal to not remake this regulation.

In summary, Energy Locals is generally supportive of the proposals in the Consultation Paper, but where possible, we support alignment with the NECF. Consistency across jurisdictions significantly reduces administrative burden for retailers.

We appreciate the opportunity to consult and thank the Government of South Australia for engaging with retailers on the National Energy Retail Law (Local Provisions) Regulations.

We are very happy to discuss any aspect of our submission at any time.

Yours faithfully,



Adrian Merrick
Chief Executive Officer
Energy Locals Pty Ltd

³ Ibid, p.26.

⁴ Ibid.