



**EnergyAustralia**

LIGHT THE WAY

10 May 2024

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

EnergyAustralia Pty Ltd  
ABN 99 086 014 968

Level 19  
Two Melbourne Quarter  
697 Collins Street  
Docklands Victoria 3008

Phone +61 3 9060 0000  
Facsimile +61 3 9060 0006

enq@energyaustralia.com.au  
energyaustralia.com.au

Submitted electronically: [dem.consultation@sa.gov.au](mailto:dem.consultation@sa.gov.au)

Dear DEM

### ***Review of South Australia's National Energy Retail Law (Local Provisions) Regulations 2013***

EnergyAustralia is one of Australia's largest energy companies with around 2.4 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. EnergyAustralia owns, contracts, and operates a diversified energy generation portfolio that includes coal, gas, battery storage, demand response, solar, and wind assets. Combined, these assets comprise 4,500MW of generation capacity.

EnergyAustralia appreciates the opportunity to participate in the Department's consultation considering South Australia's local provisions in the National Energy Retail Law Regulations 2013. EnergyAustralia's preference is for consistency in energy regulation, as this promotes a cheaper cost to serve for retailing energy throughout Australia; however, we appreciate the need for state specific regulation where the existing reforms are inadequate or outdated.

We primarily agree with the positions outlined by the DEM in the consultation paper, wherein many of the suggestions proposed were not initially deemed necessary to progress. We will therefore comment on a handful of proposed changes that we believe merit our contribution:

- *Consumption thresholds*

We believe that it would be preferable to have the consumption threshold reduced in line with other NECF states, 100 MWh per year. This is due to the desire for consistent regulations, which lowers retailers' cost to serve allowing cheaper energy prices for customers, and because there is little need for customers consuming >100MWh annually to receive the consumer protections developed for small customers; as large consumers and are rightly considered sophisticated in energy literacy.

- *Local area retailer*

While EnergyAustralia will not apply to be the local area retailer, we appreciate the consideration for whether the incumbent relationship should change. We believe that further investigation is warranted into how South Australian customers can be better served by ensuring there is a retailer available that ensures service, and as an additional consideration, provides a retail offering that is deemed reasonable as a safeguard option. We appreciate this is a larger change than what has been proposed, and we would be happy to engage further on what this may look like in practise. Ultimately, we see value in ensuring

there are suitable offers available for customers, and we believe this can be achieved via a mix of regulated pricing/offers and allowing the competitive markets to guide the pricing and offers available.

- *Tariff structure*

EnergyAustralia understands that the tariff structure proposal aligns with the decisions of the Queensland Government, and with the AEMC's proposal; however, as retailers have experienced with the Queensland Government decision, the obligation has created a significant implementation cost, the obligation was imposed prior to the AEMC finalising their position, and the legislation drafting has created issues and inaccuracies that are oppose the benefit customers could receive.

We support providing offers that customers desire, and we believe that energy retailers have only offered more complex tariffs at the request of regulators and governments. We therefore are disappointed that the immediate lever for addressing customer concerns about complex energy tariffs is to impose obligations on energy retailers, instead of the cause of the tariffs; the distribution network tariff, that was required to be designed in a cost-reflective manner by the rule maker and regulator, and approved following consultation with consumer groups and the regulator.

The AEMC are currently considering the requirement to offer a flat rate product in their Metering Acceleration rule change<sup>1</sup>, and will shortly commence consultation on their Review into Electricity Pricing for a Consumer-Driven Future<sup>2</sup>, we believe that any decision on jurisdictional requirements for retail pricing should wait until the culmination of both the rule change and review.

Furthermore, any decision made should ideally align with the other states; requirements to offer should be the same, e.g. aligning to require retailers only to offer a flat tariff. Consistency in the minimum offerings will be beneficial for a reduce cost to serve and in improving customer confidence.

- *Minimum customer service standards*

We believe the minimum customer service clause can be omitted. As outlined in the consultation paper, technology and customer interaction habits have changed, with the regulation no longer representing the preferred forms of engagement with a retailer (app and web, instead of mail), and timeframe expectations also no longer reflecting the existing timeframes (mail timeframes are impacted by Australia Post more than the energy retailer).

Ultimately, we believe that there is enough incentive in trying to obtain and retain customers by providing good customer service that the standards are superfluous.

- *Re-energisation and de-energisation*

EnergyAustralia agrees with retaining the current re-energisation and de-energisation timeframes until the metering rollout has been completed (2030+), at which point the requirement will likely be redundant.

---

<sup>1</sup> Accelerating smart meter deployment | AEMC

<sup>2</sup> Electricity pricing for a consumer-driven future | AEMC

We appreciate the DEM is in the preliminary stages of considering these and any other potential changes, we will continue to participate in this process as it evolves, and will engage more thoroughly depending on how the considered proposals progress.

If you would like to discuss this submission, or for any retailer specific positions on the current, amended, or additional proposals, please contact Travis Worsteling on [REDACTED] or [REDACTED]

Regards

**Travis Worsteling**

Regulatory Affairs Lead