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Change to notice requirements for planned interruptions of energy supply - proposal to amend Regulation 14 of the National Energy Retail Law (Local Provisions) Regulations 2013

AGL Energy (**AGL**) would like to take this opportunity to respond to the South Australian Government (**SA Govt**) request for feedback on the proposal to amend regulation 14 of the National Energy Retail Law (**NERL**) (local provisions) to allow SAPN an exemption to notify customers of planned interruptions of 15 minutes or less.

We encourage the SA Govt to take an approach that ensures consistency, transparency and equality of obligations across all industry participants. Metering contestability has entered the energy market as part of the “Power of Choice’ (**POC**) reforms since the derogation was last reviewed in 2015, applying the National Energy Retail Rules (**NERR**) obligations on retailers to notify customers of any planned outage relating to metering works.

The outcome of this change means that metering works which may take less than 15 minutes, still require a retailer to provide an advanced notice in writing to the customer, which is inconsistent with the derogation which currently applies to SAPN and would have applied to SAPN when they were undertaking metering works, prior to the POC changes.

Our position is that the SA Govt should not extend the existing derogation which exempts SAPN from notifying customers of planned interruptions of 15 minutes or less. We note that the Australian Competition and Consumer Commission (**ACCC**) Retail Electricity Pricing Inquiry (**REPI**) report encouraged



jurisdictions to review and unwind any derogations that are not based on jurisdiction-specific characteristics or needs that cannot be met by NECF-wide rules.¹

While we recognise that the SA Govt has previously allowed for this derogation as it was a previous regulatory requirement under the SA Electricity Distribution Code prior to NECF, we believe that it is now a suitable time to review the need for a jurisdictional specific derogation given the shift to market contestability through POC.

We do not believe that this derogation is based on any specific jurisdictional need, and the costs of notification to customers that SAPN have referred to are felt across market participants throughout the National Electricity Market (**NEM**).

AGL's preferred approach is that SA Govt seek a rule change request with the Australian Energy Market Commission (**AEMC**). This would allow the AEMC to apply the National Energy Retail Objective (**NERO**) in determining whether there is a market need for such a change. The NERO considers whether a proposal will "promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy."²

Seeking a rule change will also ensure that any change is applied consistently across all market participants in all NECF jurisdiction, promoting the objectives of the REPI recommendations and ensuring that the market is harmonised wherever possible. Nationally consistent rules will also mean that industry participants can develop one set of processes and therefore lower industry costs and energy costs for all consumers, including South Australian energy consumers.

Should the SA Govt deem that it is still appropriate to allow this derogation, we strongly encourage consistency across retailer and distributor obligations and therefore suggest the derogation be extended to cover retailer-based activities.

If you have any questions in relation to this submission, please contact Kat Burela on 0498001328 or at kburela@agl.com.au.

Yours sincerely

Elizabeth Molyneux
GM of Energy Markets Regulation

¹ ACCC REPI Report 2018 - https://www.accc.gov.au/system/files/Retail%20Electricity%20Pricing%20Inquiry%E2%80%94Final%20Report%20June%202018_0.pdf

² Part 1, Division 3 NERL a

