

24 October 2024

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

Submitted via email: dem.consultation@sa.gov.au

Dear Sir/Madam

Review of South Australia's National Energy Retail Law (Local Provisions) Regulations 2013 Consultation Paper.

Thank-you for the opportunity to provide a submission in response to the Department of Energy and Mining's consultation paper (**the Paper**).

Momentum Energy Pty Ltd (**Momentum, our or we**) is an Australian operated energy retailer, owned by Hydro Tasmania, Australia's largest generator of renewable energy. We pride ourselves on providing competitive pricing, innovation and outstanding customer service to electricity consumers in Victoria, New South Wales, South Australia, Queensland, the ACT and on the Bass Strait Islands. We also retail natural gas to Victorian customers.

Specific comments regarding various regulations raised in the Paper.

1. Regulation 5 – consumption thresholds

We note that this regulation determines the upper annual electricity consumption threshold for determining whether a business customer in South Australia (SA) is defined as a small or large electricity customer. The South Australian upper annual consumption threshold for small customers is currently 160 MWh per annum and has been prescribed at this level well before the National Energy Customer Framework (NECF) was legislated in SA. From the table below we highlight that three other NECF jurisdictions (ACT, NSW and QLD) apply 100 MWh/pa as their upper consumption thresholds.

Momentum believes that SA should omit this specific regulation and default to the NECF's threshold of 100 MWh per annum as it would:

- a) simplify billing and enhance product offerings which are often constrained by small customer regulations;
- b) provide more consistency with NSW and QLD markets that will encourage more competition in this market segment;

- c) more readily allow for individual customer pricing where appropriate. This is likely to become more prevalent as consumer energy resources (CER) develop and medium sized businesses seek to maximise the value that CER will deliver; and
- d) there has been no substantive evidence of negative outcomes for customers using between 100 and 160MWh in the ACT, NSW or QLD that are not covered by small customer protections. This provides a ready example of the counterfactual to maintaining the existing 160MWh threshold.

Electricity Small Customer Consumption Thresholds

State/Territory	Upper Consumption Threshold
Australian Capital Territory	100 megawatt hours (NECF threshold)
New South Wales	100 megawatt hours (NECF threshold)
Queensland	100 megawatt hours (NECF threshold)
Tasmania	150 megawatt hours
Northern Territory	160 megawatt hours
Victoria	40 megawatt hours
Western Australia	50 megawatt hours

2. Regulation 6 Local area retailers

This regulation nominates the local area retailers who are responsible for having a standing offer for new electricity and gas small customers. This regulation nominates AGL South Australia Pty Ltd (AGL) and Origin Energy Retail Ltd (Origin) for electricity and gas, respectively. The 'local area retailer' is responsible where a small customer's premises do not have an existing connection to a distribution system. As the National Energy Retail Law (NERL) requires a local area retailer to be prescribed Momentum supports no change to the current arrangement and to support:

- Re-nomination of AGL (for electricity) and Origin for natural gas and natural gas equivalents

3. Regulation 6A tariff structures

This regulation prescribes tariff structures and ensures retailers make offers that reward customers for using electricity in low demand periods. We support the intent outlined in the Paper that the SA government will consider the Australian Energy Market Commission's (AEMC's) final determination for the Accelerating Deployment of Smart Meters rule change request when preparing the draft regulations. We further suggest that the SA government should remain cognisant of the SA network tariff structure statements (TSS) that will be released early in 2025 effective 1 July 2025. It is paramount that the TSS provides for an

option for a flat network tariff for sites with interval/smart meters. This ensures retailers can adequately manage their network tariff mismatch risk if customers fail to provide consent to a cost reflective retail tariff.

Momentum supports the proposal to amend the regulation to prescribe:

- for residential customers – a time of use tariff structure based on the residential time of use network tariff structure published by SA Power Networks (SAPN) and a single rate tariff structure; and
- for small business customers – a small business time of use tariff structure based on a time of use network tariff structure published by SAPN and a single rate tariff structure.

4. Regulation 7 minimum customer service standards

Regulation 7 imposes minimum service standards on retailers selling energy to small customers in SA. This regulation continued the minimum standards for handling customer enquiries that applied in SA prior to the NECF, which does not set minimum service standards.

These service standards require retailers to use their best endeavours to:

- respond to 95 per cent of written enquiries within 5 business days; and
- answer 85 per cent of telephone calls within 30 seconds between 8 am and 6 pm, Monday to Friday.

Momentum agrees with the Paper that the aim of NECF was to have a nationally consistent regulatory framework wherever possible and it does not appear that these SA specific service standards have resulted in any significant improvement in customer service, above those experienced by other NECF jurisdictions, where these standards are not regulated. Therefore, we believe there is no justification for continuing regulation that delivers no benefit. With the ever-increasing regulatory burden on energy retailing and its associated costs we believe that redundant regulations should be removed.

Momentum believes this regulation should be omitted and the service standards should no longer be prescribed.

5. Regulation 8 extreme weather events

This regulation declares what is an ‘extreme weather event’ in SA for the purposes of the NECF’s arrangements for de-energisation (or disconnection) of premises of small customers. The NECF prohibits disconnection of customers for non-payment of a bill during an ‘extreme weather event’. However, this prohibition is an opt-in provision and is only enforceable where a jurisdiction in which the customer is located has defined the meaning of ‘extreme weather event’ in a local instrument. Regulation 8 defines ‘extreme weather event’ in the same way as it was defined prior to South Australia’s adoption of the NECF. Previously, Essential Services Commission of South Australia (ESCOSA) prohibited the disconnection of a

customer for non-payment of an electricity bill on an ‘extreme heat day’. This has been a long-standing feature of customer protection arrangements in SA.

Momentum supports the proposal to:

- Retain the current definition of ‘extreme weather event’.

6. Regulation 9 — Re energisation after de-energisation

Regulation 9 prescribes timeframes that retailers in SA must adhere to when arranging for the re-energisation of premises that have been de-energised for failing to make a payment of a specified kind. We note the table below which outlines the remote re-energisation arrangements for all Australian jurisdictions.

Remote Re-energisation arrangements in Australia

Jurisdiction	Remote re-energisation permitted
Australian Capital Territory	No specific requirements or prohibition.
New South Wales	Permitted in accordance with prescribed requirements. ³²
Queensland	Prohibited.
South Australia	No specific requirements or prohibition.
Victoria	Permitted in accordance with prescribed requirements.
Western Australia	Permitted in accordance with prescribed requirements.

The Paper has suitably discussed the issues surrounding the proposed increase in the roll out of smart meters in SA and the change in responsibility for electricity metering since 2013. It is noted that Regulation 9 also applies to gas customers. Therefore, we believe that there is no need to change the current arrangements for re-energisation after de-energisation in SA.

Momentum supports the proposal to retain South Australia’s standards for re-energisation in their current form.

7. Regulation 12 — Price comparator

This regulation adopts the Australian Energy Regulator’s (AER) price comparator. The purpose of the price comparator is to allow a small customer to compare the standing offer price available to them and market offer prices that are generally available to classes of small customers in SA. The NECF provides for the AER to establish a price comparison service to assist customers to compare, free of charge, energy retail offers. Customers in all participating jurisdictions can use this service to compare offers.

Although the current model is limiting for creating non-standard / innovative product options for SA, there is at least some consistency across the NECF states operationally



through the Energy Made Easy (EME) comparator. Creating different standards for an alternative SA comparator would require retailers to manage three separate state interfaces (assuming Victoria Energy Compare for Victoria, EME for NECF jurisdictions and then a separate comparator for SA), each with their own specific guidelines and unique interfaces. If the intent of this review is on reviewing the applicability of the EME comparator for SA, then it may be better placed instead to revise the common requirements and existing limitations of the current NECF EME comparator.

Momentum supports the proposal to continue to adopt the AER's EME price comparator in SA by remaking this regulation.

8. Summary

Momentum is of the view that the South Australian government should limit diversions from the NECF to maximise the ability for new and existing retailers to retail in SA. The SA market would undoubtedly benefit from increased competition in both the retail and wholesale sectors of the energy market. Alignment with the NECF, wherever possible, is a positive approach to achieving long term improvements for SA customers.

Should you require any further information regarding this submission, please don't hesitate to contact me on [REDACTED]

Yours sincerely

[Signed]

Randall Brown

Head of Regulatory Affairs