



EnergyAustralia

LIGHT THE WAY

31 January 2020

Consumer Strategy and Innovation, Energy Division
Department of Natural Resources, Mines and Energy

Submitted electronically: [REDACTED]

EnergyAustralia Pty Ltd
ABN 99 086 014 968

Level 33
385 Bourke Street
Melbourne Victoria 3000

Phone +61 3 8628 1000
Facsimile +61 3 8628 1050

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

Dear Minister

Dispute resolution for residential embedded network customers Regulatory impact statement

EnergyAustralia welcomes the opportunity to make this submission to the Department of Natural Resources, Mines and Energy (the Department).

EnergyAustralia is one of Australia's largest energy companies with over 2.6 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market (NEM).

In general, we support extending access to the Queensland Energy Ombudsman to embedded network customers. This is a strong positive outcome which provides effective redress for energy customers should they have a complaint about their energy supply. It also reflects the clear policy direction of the Council of Australian Governments as reflected by the Australian Energy Regulator.¹ We also support the preferred option 3 for the fee framework.

We note only two issues which we consider warrant further consideration by the Department.

Authorised retailers selling to embedded network customers

The Department's Regulatory Impact Statement focusses on extending the membership of the Queensland Energy Ombudsman to exempt seller classes. Sale of electricity to embedded network customers by an exempt seller (using a deemed or registrable exemption) is only one regulatory licensing model. The other model involves a business obtaining a retailer authorisation from the AER, again for the purpose of selling electricity to customers within embedded networks.

¹ <https://www.aer.gov.au/networks-pipelines/network-exemptions/dispute-resolution-in-exempt-networks>

We understand that retailers are using this other retail authorisation model. Like exempt sellers these retailers are on-selling electricity, purchased from the gate meter, to embedded network customers only. The only difference is their licensing arrangements under the National Energy Retail Law utilise a retail authorisation instead of an exemption to sell electricity to customers.

We propose that the Department should extend Energy Ombudsman membership to this retail authorisation model to ensure that all customers in embedded networks benefit from the ombudsman scheme, and not only customers of exempt sellers.

The fee framework for these authorised retailers should mirror the preferred option 3 (sliding scale) fee arrangements, given that these authorised retailers are likely to resemble the small scale of exempt sellers in terms of customer base, and are likely to have the same limited capacity to pay ombudsman fees.

If the Department decides not to pursue our proposal, we ask that the Department clearly clarify the coverage and obligations of these authorised retailers under any future Energy Ombudsman scheme arrangements.

Small business embedded network customers

We understand that the Department's proposal is limited to residential embedded network customers. We consider that it should also be extended to small business customers consuming up to 160 MWh per annum that are connected in an embedded network. This would ensure consistency with access to the scheme by small business customers at a typical connection point (directly connected to a distribution network).

There is no clear policy reason to exclude small business customers from access to the scheme, particularly considering that small businesses are like residential customers in their ability to understand and resolve complaints with their electricity provider.

If you would like to discuss this submission, please contact [REDACTED]

Regards

Selena Liu

Industry Regulation Lead