

## ACCC's Retail Electricity Pricing Inquiry – Final Report

N°	Recommendation – 11 July 2018	11 July 2019
	<b>Boosting competition in generation and retail markets</b>	
<b>1</b>	The NEL should be amended to prevent any acquisition or other arrangement (other than investment in new capacity) that would result in a market participant owning, or controlling dispatch of, more than 20 per cent of generation capacity in any NEM region or across the NEM as a whole.	ESB Consultation paper released in February 2019. No subsequent public development
<b>2</b>	The Queensland Government should divide its generation assets into three generation portfolios to reduce market concentration in Queensland. The three portfolios should be of a similar size with a mix of generation assets to maximise competition in the wholesale market.	No public development – CleanCo created to support Queensland renewable objectives
<b>3</b>	The NEL should be amended to provide the AER with powers to address behaviour which has the effect of manipulating the proper functioning of the wholesale market, together with the necessary investigation powers and appropriate remedies.	Touched on in 'Big Stick' bill, but no direct action.
<b>4</b>	The Australian Government should operate a program under which it will enter into low fixed-price (for example, \$45–50/MWh) energy offtake agreements for the later years (say 6–15) of appropriate new generation projects which meet certain criteria.	UNGI program is borne out of this recommendation, although approach is quite different in seeking proposals from generators rather than large customers.
<b>5</b>	The National Energy Guarantee seeks to provide a settled policy framework under which new investment is incentivised in a way that enables achievement of the objective of reducing carbon emissions at low-cost while promoting investment in a manner that ensures demand for energy is met.	Opposed by Commonwealth Government
<b>6</b>	The NEL should be amended so as to require the reporting of all over-the-counter (OTC) trades to a repository administered by the AER.	ESB consultation paper released in September 2018. No subsequent development.
<b>7</b>	The AEMC should introduce market making obligations in South Australia, which require large, vertically integrated retailers to make offers to buy and sell specified hedge contracts each day, in order to boost hedge market activity.	ESB consultation paper released September 2018. Effectively incorporated into RRO where called – and SA minister can call any time. Voluntary mechanisms underway.
<b>8</b>	AEMO amend its rules and procedures so that losing retailers are only given a loss notification on the actual date of transfer of financial responsibility for the customer to the new retailer.	Rule change submitted to AEMC
<b>9</b>	The AEMC should make changes to speed up the customer transfer process, for example by enabling customers to use self-reads of their electricity meters.	Rule change submitted to AEMC
<b>10</b>	The ACCC supports the removal by the Australian Government of limited merits review of AER revenue decisions.	Already removed prior to 11 July 2018

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11	The governments of Queensland, NSW and Tasmania should take immediate steps to remedy the past over-investment of their network businesses in order to improve affordability of the network.	No public development
12	The AER should be given the power to monitor the effect of the write-downs and rebates on network charges effectively faced by retail customers.	No public development
13	The National Electricity Rules should explicitly allow for a process whereby network assets may be stranded and the costs of that stranding is shared between users and networks.	No public development
14	The ACCC considers that steps should be taken to accelerate the take up of cost-reflective network pricing.	No public development
15	The ACCC considers that steps should be taken to support the take up of smart meters, and ensure customers receive the benefits of this technology.	No direct action, but rollout continuing
16	Responsibility for setting network reliability requirements should be placed on the AER or other NEM market body, based on a value of customer reliability (VCR) methodology.	Underway
17	The AEMC should as part of its annual network regulatory framework review, examine areas which can reduce the complexity of the existing framework and the time needed to implement changes.	No public development
18	To further assist with reducing the complexity of the rules and improving the timely adaptability of the framework, consideration should be given by the AEMC as part of its ongoing reviews of the NER to areas where the NER can be amended to make greater use of AER guidelines, rather than the codification of detailed regulatory assessment methodologies and processes within the NER.	No public development
19	Governments should remove jurisdictional specific costs (taxes) that do not relate to the provision of network services.	No public development
20	The NER should be amended to allow the AER more flexibility in undertaking the process of making regulatory determinations.	No public development
21	In relation to wholesale demand response, a mechanism should be developed for third parties to offer demand response directly into the wholesale market.	Rule change consultation underway
22	In relation to network demand response the AER, in undertaking the revenue determination process, should include a more explicit focus on assessing the efficient use of non-network expenditure.	No public development
23	In relation to stand-alone systems, immediate work should be undertaken to identify and implement changes to the NEL and NER, and the NERL and NERR, to allow distributors to develop off-grid supply arrangements for existing customers or new connections where efficient.	Underway
24	The small-scale renewable energy scheme should be wound down and abolished by 2021.	Opposed by Commonwealth Government
25	To reduce the costs associated with premium solar feed-in tariff schemes any costs remaining from such schemes should be borne by state governments through their budgets, as Queensland has done for the next three years, rather than being recovered through charges to electricity users, and this should be done on a permanent basis.	No public development
26	Victoria should join the National Energy Customer Framework (NECF) to streamline regulatory obligations on retailers in the NEM and reduce retailers' costs to serve.	No public development

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27	Each NECF jurisdiction should review its derogations from the NECF and unwind any derogations that are not based on jurisdiction-specific characteristics or needs that cannot be met by NECF-wide rules.	No public development
28	Future derogations from the NECF should be limited to situations where there are jurisdiction specific needs that cannot be addressed by a NECF-wide rule change.	No public development
29	The requirements for notices sent by retailers to customers prior to the end of a contract should be consistent with the new requirements for expired benefit notices.	No public development
30	In non-price regulated jurisdictions, the standing offer and standard retail contract should be abolished and replaced with a default market offer at or below the price set by the AER.	Electricity Retail Code implemented
31	The application of the consumer data right to the electricity sector should be pursued as a priority under the consumer data right framework regulated by the ACCC.	Underway
32	If a retailer chooses to advertise using a headline discount claim it must calculate the discount from the reference bill amount published by the AER.	Electricity Retail Code implemented
33	Conditional discounts should be no higher than the reasonable savings that a retailer expects that it will make if a consumer satisfies the conditions attached to the discount.	Rule change request submitted by Commonwealth Government
34	The Australian Government should prescribe a mandatory code of conduct for third party intermediaries, which addresses the issues discussed in chapter 14 (Tools to assist consumers in navigating the market).	No public development
35	Consumers should be able to provide their consent to third party intermediaries to give EIC on their behalf.	No public development
36	The Australian Government and Victorian Government should commit to ongoing funding to raise awareness of the government-run comparator websites similar to the approach taken in New Zealand with the 'What's My Number' campaign.	No public development
37	COAG should improve concession schemes across the NEM to ensure that, to the extent possible, there is a uniform, national approach to electricity concessions.	No public development
38	In addition to existing funding, the Australian Government and the relevant state or territory government should fund (to a value of \$5 per household in each NEM region, or \$43 million NEM-wide, per annum) a grant scheme for consumer and community organisations to provide targeted support to assist vulnerable consumers to improve energy literacy.	No public development
39	The hardship rule change, proposed by the AER, should be made.	Implemented
40	Retail price monitoring should be streamlined, strengthened and appropriately funded to ensure greater transparency in the market, reduced costs, and allow governments to more effectively respond to emerging market issues.	No public development – potentially less streamlined in 2019 given role of ACCC monitoring has been expanded
41	The AER's wholesale market monitoring should be expanded and appropriately funded to include monitoring, analysing and reporting on the contract market.	ESB consultation paper released February 2019.
42	The COAG Energy Council should adopt all the suggested increased penalties to all civil penalty provisions listed in the consultation paper as a matter of priority, but instead of increasing the amount to \$1 million as proposed, increases should be to the same levels as parliament is currently considering for the ACL (\$10 million, three times the benefit gained or 10 per cent of turnover).	No public development

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43	The rebidding rules that currently attract civil penalties of \$1 million should also be increased to the new higher level penalties, and that the wholesale provisions arising from the ACCC recommendations 1 and 3 associated with the conduct of participants under the NEL are increased to the same level as well and that these provisions also be subject to disgorgement (ill-gotten gain) penalties.	No public development. “Big Stick” legislation touches on this area.
44	The COAG Energy Council should amend the energy laws in line with the current recommendations before the COAG Energy Council to allow the AER to seek community service orders, probation orders, and adverse publicity orders, as well as enabling the AER to seek that a third party is required to undertake a community service order.	No public development
45	The COAG Energy Council should provide the AER with the power to require individuals to give evidence before it.	No public development
46	The COAG Energy Council should amend the energy enforcement regime to permit the AER to issue a new lower level infringement penalty (\$5000) for minor breaches of certain provisions for the NERL and NERR in addition to the current \$20 000 infringement penalty for current provisions.	No public development
47	The COAG Energy Council should develop a set of ministerial principles that inform rule changes and ministerial decisions relating to consumer protection regulation.	No public development
48	The COAG Energy Council should undertake a review of the effectiveness of the NECF three years after the implementation of the Inquiry recommendations and no later than four years after the release of this report.	No public development
49	The ACCC’s recommendation to abolish the standing offer and replace it with a ‘default offer’ at or below a price set by the AER (recommendation 30) should be extended to all generally available offers including offers for SME customers.	Electricity Retail Code implemented
50	The ACCC’s recommendation that all discounts must be calculated from a reference bill amount set by the AER (recommendation 32) should be extended to all generally available offers including offers for SME customers.	Electricity Retail Code implemented
51	Governments and market bodies should develop specific electricity market awareness campaigns targeted at small business customers.	No public development
52	State and territory governments should fund small business organisations to provide tailored retail electricity market advice.	Commonwealth Government program announced
53	After two years, the COAG Energy Council should review industry efforts to assist small businesses experiencing payment difficulties.	No public development
54	The ACCC’s recommendation in respect of improved and streamlined price reporting (recommendation 40) should include expanded reporting for small to medium business.	No public development
55	State and territory governments should provide resourcing toward promoting energy ombudsman schemes as a part of a broader marketing campaign to build small business engagement with retail electricity markets.	No public development
56	Governments should make available well targeted assistance programs including energy efficiency audits to assist the businesses most adversely impacted by the transition to more cost network reflective tariffs.	No public development