

Queensland Competition Authority  
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### **Review of the maximum fees in Schedule 8 of the Electricity Regulation 2006**

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission to the Queensland Competition Authority's ('QCA') issues paper on the *review of the maximum fees in Schedule 8 of the Electricity Regulation 2006* ('Schedule 8 Review').

The AEC is the industry body representing 22 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

Since the issuing of the Minister's Direction Notice on 6 April 2019, Australia's economic landscape has changed considerably as result of the outbreak of COVID-19. The economic volatility it has caused has reinforced the need to ensure customer protections in the energy sector are operating effectively. This consultation serves as a good opportunity to review whether Schedule 8, which places a limit on the maximum price a customer can pay for specific services, is achieving its intended purpose of protecting vulnerable customers from prohibitive costs.

The AEC's position is that Schedule 8 should not be wholly removed at the present time. The ongoing impacts of COVID-19 has expanded the number of vulnerable customers that will benefit from this protection. Maintaining a price cap for the near future will help support the responses that the Australian Energy Regulator (through its Statement of Expectations) and retailers (through offering customers a variety of flexible payment assistance and hardship arrangements) have taken to protect customers. At the same time, the AEC acknowledges that maintaining a price cap will probably reduce the incentive to install smart meters in Queensland, which are in the long-term interests of customers.

Smart meters will provide customers with greater visibility over their energy consumption (which will grow in importance as more customers invest in distributed energy resources), provide for more accurate and timely billing, and improve the efficiency of re-energisation and de-energisation services. Once there is greater clarity over the COVID-19 impacts, there may be opportunities to amend Schedule 8 so it only applies to non-smart metered sites where customers are less likely to be vulnerable.

However, before such amendments are considered, there are other regulatory requirements impeding the uptake of smart meters that should be addressed first. The most pertinent is that Queensland still requires visual inspections to perform re-energisation. The requirement for visual inspection is costly and inefficient, as it requires the customer to be at their home during business hours so the physical visit can take place. Moreover, this requirement defeats the purpose of conducting a remote re-energisation thereby reducing the incentive for a customer to have a smart

meter. There are opportunities here to improve the practicality around these requirements, for example, by not requiring a visual inspection for sites disconnected in the past 12 months. This would make remote services more cost and time-efficient, something that is in the interest of all parties.

Any questions about this submission should be addressed to Rhys Thomas, by email to [Rhys.Thomas@energycouncil.com.au](mailto:Rhys.Thomas@energycouncil.com.au) or by telephone on (03) 9205 3111.

Yours sincerely,



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