

19 February 2016

Mr Mike Philipson
Principal Advisor
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Submitted electronically to escosa@escosa.sa.gov.au

Dear Mr Philipson,

Re: National Energy Retail Law: Review of operation in South Australia

The Australian Energy Council (AEC) welcomes the opportunity to respond to the Essential Services Commission of South Australia (the Commission) on the National Energy Retail Law (NERL): Review of operation in South Australia Draft Report (the Draft Report).

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.

The AEC is broadly supportive of the Commission's findings in the Draft Report. We agree with the Commission's draft finding that the NERL is operating well in South Australia and that energy customers have not been negatively impacted by the introduction of the NERL in South Australia. If anything, the draft report suggests that South Australian customers have benefited from the national customer protections contained in the NERL.

We do however suggest the benefits of the NERL, particularly for consumers experiencing financial difficulty have been understated in some aspects. The NERL provides comprehensive assistance for consumers experiencing difficulties, and while unable to address all consumer needs, undoubtedly increases their protection when compared with the pre-NERL regime. Likewise, the more comprehensive nature of data and reporting under the NERL assists with better understanding the experiences of and outcomes for, hardship customers.

Further to this, we support the recommendation of the Commission that there should be periodical, review of the NERL to ensure that the continuance of any derogations remains in the best interests of consumers in South Australia. The AEC remains concerned with the continuation of a number of the derogations, in particular the retailer responsiveness standards, which are costly to regulate and would be best served by a competitive market in which consumers are able to choose between retailers who meet their individual needs. Derogations should only remain where there is a unique need or circumstance that exists within a jurisdiction that warrants their existence.

The AEC would welcome the opportunity to discuss any of the issues raised in this submission with the Commission along with any other matters as they arise.

Any questions about our submission should be addressed to Panos Priftakis, by email to panos.priftakis@energycouncil.com.au or by telephone on (03) 9205 3115.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Alex Fraser', with a horizontal line underneath.

Alex Fraser
General Manager, Retail