



26 May 2016

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RE: Review of the Operation of the National Energy Customer Framework in South Australia - Issues Paper

Dear Mike,

Thank you for providing the opportunity to comment on the Review of the National Electricity Customer Framework (NECF) as it applies in South Australia.

The Conservation Council has previously raised issues regarding the lack of support or coverage on matters that would enable electricity customers to have meaningful information about the extent to which electricity companies acquire their electricity from renewable or non-renewable sources, and other information to enable consumers to make informed choices relating to greenhouse gas emissions, environmental performance and commitments towards sustainability.

We attach our previous submission towards this Review.

In the transition to a National Electricity Retail Law (NERL), South Australia did not maintain requirements for even the most basic of greenhouse gas information to be shown on electricity bills in a consistent way. Furthermore, there has been no progress on the national front to reform electricity markets to provide factual information to customers about the sustainability and greenhouse performance of electricity companies. Even the Energy Made Easy website provides no greenhouse or environmental information about the providers.

Whilst retail renewable electricity options should by now be cost a competitive alternative to standard non specified electricity (fully supported by legislation and accounting frameworks), these products are still structured as a penalty charge above all other electricity costs.

There is also now a proposal to charge households with solar electricity higher prices for network access compared with those customers simply buying electricity. The justification for the proposal is that renewable electricity customers have a greater 'proportional impact' on the electricity network. This logic is deeply flawed because these customers have no additional impact on the network and arguably have lowered the impact on networks and the grid by reducing demand at peak times.

It is now clear that rather than supporting renewable electricity customers, the NECF and NERL are actually creating disincentives and barriers for renewable customers that may lead to a dramatic exit of customers from the grid, which will adversely affect remaining

electricity customers. The likelihood of such an occurrence continues to grow as the cost of stand-alone renewable electricity systems has fallen to within reach of many households and businesses.

The Conservation Council of South Australia advocates that this Review of the NECF should consider the support that customers require for an orderly transition to a low carbon electricity supply. This is not a separate issue to be dealt with in climate policy, it is a central issue for the National Electricity Market and the National Electricity Customer Framework.

There are several reforms that ESCOSA and the State Government should advocate for.

- Legal requirements for greenhouse gas information should be restored and improved to provide consistent information on electricity bills of the greenhouse gas intensity of electricity produced by the customer's generator-retailer (often referred to as a gentailer).
 - Where retailers do not generate electricity, customers should have good information on the mix of generation sourced by the retailer.
- The NECF and NERL should undertake reforms to provide a structure for retailed renewable electricity to be a legally defined alternative product rather than a penalty.
- Households producing electricity should not be charged a higher bill compared with other customers to be connected to the electricity grid.

We would like to discuss our submission with you in more detail.

Yours sincerely,



Craig Wilkins
Chief Executive