



EnergyAustralia

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National Energy Retail Law: Review of operation in South Australia
Draft Report
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

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

Dear Mr Wilson

National Energy Retail Law (NERL): Review of operation in South Australia - Draft Report

EnergyAustralia welcomes the opportunity to comments ESCOSA's Draft Report on the National Energy Retail Law: Review of operation in South Australia. We are one of Australia's largest energy companies, with over 2.5 million household and business customer accounts in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. We also own and operate a multi-billion dollar portfolio of energy generation facilities across Australia, including coal, gas and wind assets with control of over 4,500MW of generation in the National Electricity Market (NEM).

EnergyAustralia supports the Commission's draft finding that the NERL is operating well in South Australia and that South Australian energy customers, if anything, have benefited from being part of the national customer protection arrangements. As a retailer operating in a number of NEM jurisdictions, we have seen positive outcomes for consumers as a result of efficiencies gained through a more uniform regulatory framework, greater certainty around regulatory and policy developments and a pragmatic approach to compliance enforcement by the AER. We believe that the harmonisation of requirements for dealing with customer hardship have been beneficial for vulnerable members of the community and we feel confident that these customers have an appropriate safety net, particularly in light of broader economic and societal circumstances which have exacerbated the issue of energy affordability.

Although the efficiencies passed on to consumers will not be maximized until all NEM jurisdictions have adopted the NERL, South Australia's early adoption allowed retailers to implement considerable process and system harmonisation with other jurisdictions subsequently adopting the NERL. However, consistent with our view that greater efficiencies

arise as the regulatory framework is harmonised, we believe that further benefits can be gained from removing the South Australian specific derogations. We appreciate that these derogations, namely the 160MWh per annum small customer threshold, and the requirement for retailers to report on call response times, may have been prudent measures in the face of a relatively untried regulatory regime. As the evidence suggests however, the NERL has brought about consumer benefits and we believe that it is now appropriate to remove these derogations and allow for further efficiencies to be captured.

EnergyAustralia supports the South Australian Government's efforts to seek good outcomes for energy consumers and applauds their decision to adopt the NERL. We believe that the benefits of doing so are apparent and that the current regulatory framework will ensure that South Australia consumers enjoy the benefits of a competitive market with appropriate consumer protections into the foreseeable future.

If you require any further information with regard to this submission, please contact me on 03 86281731 or via email at joe.kremzer@energyaustralia.com.au

Yours sincerely,

Joe Kremzer
Industry Regulation Lead