

17 August 2020



Stakeholder Relations
Australian Energy Market Operator
Sydney NSW 2000

Submitted via email.

Dear Stakeholder Relations Team,

Subject: Deferral of regulatory changes due to COVID-19

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to the Australian Energy Market Operator's (AEMO) proposed Regulatory Implementation Roadmap.

PIAC supports AEMO's work to ensure regulatory changes are delivered in a timely manner despite added pressure from the COVID-19 pandemic.

We are concerned some energy providers are arguing the impacts of COVID-19 present a reason to alter or delay long anticipated reforms designed to benefit consumers. We strongly oppose any delay in the implementation of reforms that are for consumer benefit. In particular, we do not consider it appropriate for the Reducing Customer Switching Times reform to be deferred past July 2021.

We recognise the importance of addressing the immediate demands of the pandemic on the energy system and businesses and understand this has required AEMO to reprioritise some changes and processes. Many energy companies have been affected by COVID-19 and there is legitimate reason for some to seek flexibility in implementing less critical systems changes in coming months. However, we stress COVID-19 should not be used as a reason to defer reforms intended to benefit consumers. The assessment of whether a reform should proceed in the current climate should always be based on the National Electricity Objective (NEO): the long-term interest of consumers.

Any reform intended to directly benefit consumers should be prioritised over those where consumer benefit is a second- or third-order impact. They should only be deferred if the benefit of doing so would outweigh the costs to consumers. We do not consider unspecified pressures on retailers or other businesses justifies

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delaying scheduled changes to help people get better energy deals, especially given the pressures many consumers face due to the pandemic.

The reform to reduce customer switching times responds to recommendations made by the Australian Competition and Consumer Commission in its 2018 Retail Electricity Pricing Inquiry. It is aimed at reducing retail electricity prices and improving consumers' ability to participate in the retail electricity market.

At the Regulatory Implementation Roadmap forum on 10 August 2020, a stakeholder proposed that the implementation of the customer switching times reform could be deferred as some retailers were now allowing customers to switch on estimated reads. This is a positive development, but allowing customers to switch on an estimated read is just one of a suite of changes to be implemented as part of the reform. The behavior the rule-change seeks to prevent – losing retailers engaging in 'win back' behavior – will still be possible until it is implemented.

We thank AEMO for its work and look forward to working together to ensure the smooth and timely introduction of beneficial reforms in the coming years.

We welcome the opportunity to discuss this matter in further detail with AEMO.

Yours sincerely

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