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Mr Russell Pendlebury
Project Leader
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

3 August 2018

Dear Mr Pendlebury

**Submission to the Australian Energy Market Commission (AEMC):
Advance Notice of Price Changes Draft Determination**

The Energy and Water Ombudsman (SA) Limited ("EWOSA") welcomes the opportunity to comment on the Australian Energy Market Commission's Draft Determination on the *Advance Notice of Price Changes* rule change request.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

While we believe implementation of the preferred rule regarding advance notice of price changes would improve outcomes for energy consumers, one important change to the draft rule would be likely to further increase the benefits that the rule change could deliver and therefore better contribute to the promotion of the National Energy Retail Objective.

We consider that the primary purpose of the rule change is broader than the limited interpretation provided by the AEMC in the preferred rule. In addition to simply informing customers of upcoming price changes to their electricity or gas, we believe the primary purpose of the advance notice of price change rule change is also to prompt consumer engagement with the energy market. Our belief that this broader interpretation is more appropriate is also supported by a number of submissions to the Consultation Paper from other organisations, including: the Brotherhood of St Lawrence, Council on the Ageing Australia, Independent Pricing and Regulatory Tribunal (NSW), Public Interest Advocacy Centre and South Australian Council on Social Service.

As such, we believe the information in the notice provided by retailers should include the details of the Energy Made Easy website, as also suggested by the rule change proponents. This would increase the likelihood of energy consumers engaging with the market and better enable them to decide on their next course of action following a price change notification. This would increase both the benefits to consumers and the efficiency gains of the market.

The costs of implementing the draft rule would not increase by requiring information about the Energy Made Easy website, which would amount to one or two lines, being included in the notice. Including information about the Energy Made Easy website would also make an advance notice of price change rule consistent with the notification of end of fixed benefit rule.

Indeed, to quote from the AEMC's Final Determination (page 22) on the notification of end of fixed benefit period rule change:

"The provision of the generic information set out in proposed subrules 4(a) (that the fixed benefit is due to expire) and 4(c) (that the customer may view all the generally available offers in their area through the AER's energy retail price comparison website) would be useful to customers and not onerous to provide. The Commission expects that because the information will be the same on all notices the cost of providing such information will be very low."

We agree with the other information that the draft rule requires to be included in the notice, particularly the date of the price change, the customer's existing tariffs and new tariffs. It is vital that the notice enables comparisons to be made, so that the customer can take the appropriate action before the price change occurs.

We support many other aspects of the preferred rule, such as:

- allowing the advance notice to be delivered by the communication method preferred by the customer
- the expansion in the coverage of the preferred rule to include the same period of advance notice to those customers on standing offers as for market offers
- including price decreases as well as price increases
- the application of the rule change to both electricity and gas.

We believe the exemptions in the draft rule are appropriate. We also agree that the new rule should be a civil penalty provision and believe that the proposed commencement date of 1 February 2019 is reasonable.

Should you require further information or have any enquiries in relation to this submission, please email me at antony.clarke@ewosa.com.au or telephone me on (08) 8216 1851.

Yours faithfully



Antony Clarke

Policy and Research Officer

Energy and Water Ombudsman SA