



EnergyAustralia

LIGHT THE WAY

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Australian Energy Markets Commission
Lodged electronically

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AEMC Draft Determination – Review into the arrangements for Failed Retailer’s electricity and gas contracts

EnergyAustralia is one of Australia’s largest energy companies with around 2.4 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. EnergyAustralia owns, contracts, and operates a diversified energy generation portfolio that includes coal, gas, battery storage, demand response, solar, and wind assets. Combined, these assets comprise more than 5,000MW of generation capacity.

EnergyAustralia appreciates the opportunity to provide a submission to the AEMC’s Draft report on its review into the arrangement for failed retailer’s electricity and gas contracts (Draft report). EnergyAustralia is a default Retailer of Last Resort (RoLR) for both gas and electricity in several jurisdictions. EnergyAustralia served as the designated electricity RoLR for Ausgrid NSW in the retailer failures occurring in 2022 and when two electricity retailers failed in June 2023. We welcome the AEMC’s Draft report to improve the RoLR scheme and thank the AEMC’s commitment to a thorough and transparent review process, including consulting with other relevant organisations throughout its review.

EnergyAustralia strongly endorses the AEMC’s decision not to proceed with the option of requiring retailers to register security interest in favour of the AER on the Personal Property Securities Register. This is a good outcome as the proposal was incredibly complex, risky, and likely to have unintended consequences, as discussed in our previous submission.

Furthermore, we are pleased to see the AEMC has considered stakeholder feedback to the Discussion paper which has shaped its 10 draft recommendations. Overall we are supportive of the 10 draft recommendations made by the AEMC.¹ If adopted, we agree that these recommendations can improve the gas directions framework, reduce costs

¹ AEMC, *Draft Report Failed retailers’ electricity and gas contracts February 2024*, p v.

associated with RoLR events and provide better incentives for failing retailers to exit the market in a less disruptive manner.

To ensure a robust and fit for purpose RoLR framework, we reiterate the importance of a defined last-resort mechanism to manage significant retailer failures that could trigger cascading retailer failures.

EnergyAustralia appreciates the opportunity to provide further, detailed feedback in upcoming and related consultations regarding the RoLR Scheme.

If you have any questions in relation to this submission, please contact me on Maria.Ducusin@energyaustralia.com.au or 03 9060 0934.

Yours sincerely,

Maria Ducusin
Regulatory Affairs Advisor