

3 April 2024

Australian Energy Market Commission  
Level 15, 60 Castlereagh St  
Sydney NSW 2000

Submitted online via: [www.aemc.gov.au](http://www.aemc.gov.au)

Reference RPR0016

Dear Sir/Madam

**Australian Energy Market Commission (AEMC) Review into the Arrangements for Failed Retailers' Electricity and Gas Contracts (Draft Report)**

Thank-you for the opportunity to provide a submission in response to the AEMC's Draft Report.

Momentum Energy Pty Ltd (**Momentum, our or we**) is an Australian operated energy retailer, owned by Hydro Tasmania, Australia's largest generator of renewable energy. We pride ourselves on providing competitive pricing, innovation and outstanding customer service to electricity consumers in Victoria, New South Wales, South Australia, Queensland, the ACT and on the Bass Strait Islands. We also retail natural gas to Victorian customers.

This response reflects the views of both Momentum and Hydro Tasmania.

**Draft Recommendations**

We note that the AEMC as made 10 draft recommendations in the draft report as follows:

1. Require the AER to issue gas directions for all retailer of last resort (RoLR) events, except if the AER reasonably considers that issuing the direction would not benefit the designated RoLR or consumers.
2. Extend the RoLR gas directions period from three to six months.
3. Remove the mandatory negotiation process between the failed retailer and designated RoLR, and the subsequent auction process if negotiations are unsuccessful.
4. Clarify what happens to contracts that begin or end during the directions period. Specifically, that gas directions:
  - a) do not apply beyond the expiration of the directed contract;
  - b) do apply for contracts that are due to begin during the direction period where there is an option to extend at the sole discretion of the retailer.
5. Expand the RoLR gas directions framework to include storage contracts and gas held in storage.

6. Require designated RoLRs to pass on the financial benefits of RoLR gas directions to customers.
7. Improve cost recovery clarity through changes to AER guidelines.
8. Expand the AER's RoLR information-gathering powers to include third parties to enable designated RoLRs to get the necessary information to service transferred customers.
9. Introduce a new framework that allows the AER to issue the failed retailer a bill for the costs associated with its failure.
10. Introduce civil penalties for retailers who did not take all reasonable steps to avoid causing a RoLR event.

Overtime the AEMC has sought to amend the RoLR rules to ensure the market better manages these unfortunate events, which can negatively impact consumers and market participants. We are supportive of the AEMC proposed draft recommendations and look forward to the associated rule changes being implemented. Victoria has a RoLR scheme that is outside the scope of this review, and we are aware that aspects of the two RoLR schemes interact, especially for the physical supply of gas. Therefore, we urge the Victorian Department of Energy, Environment and Climate Action and the Essential Services Commission of Victoria to amend their respective legislation and rules to align with the changes proposed by the AEMC.

Should you require any further information regarding this submission, please don't hesitate to contact me on 0478 401 097 or email [randall.brown@momentum.com.au](mailto:randall.brown@momentum.com.au)

Yours sincerely

[Signed]

Randall Brown

Head of Regulatory Affairs