



Minister for Energy and Clean Economy Jobs

Leader of the House

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Ms Anna Collyer
Chair
Australian Energy Market Commission
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Dear Ms Collyer

I am writing to you regarding the Australian Energy Market Commission (AEMC) rule change draft determination for accelerating smart meter deployment, published on 4 April 2024. I note the draft rule change supports a number of key recommendations identified in the recent Review of the Regulatory Framework for metering services, including provisions to support the introduction of new customer safeguards and to improve the customer experience through the accelerated roll out.

I am concerned about reports of some electricity retailers behaviour which may inadvertently impede or negatively impact the rollout process.

For example, I am aware of a reports in the media where electricity retailers involuntarily switched customers from a flat-rate tariff structure to a demand or time-of-use tariff once a smart meter is installed at the premises. Of particular concern are reports that retailers are subsequently advising customers that the change is some form of requirement to mirror the network tariff charges in their retail tariff charges. As you are aware, network tariffs are regulated and the prices that distributors charge the retailer, not the end-use retail customer, and there is no legislative requirement nor obligation for retailers to mirror the cost reflective network tariff pricing structure in their retail offers to retail customers.

The choice by some retailers to pass through the cost structure of the network tariff is the commercial decision of the retailer. In doing so the retailer choosing to directly pass through to its customers risks associated with the difference between how it collects its revenue and how it is charged rather than managing that risk itself. It is important that in doing so, the retailer effectively communicates the change and potential impacts to the customer to support informed decision making.

Accordingly, I ask the AEMC to ensure that current rules and proposed safeguards give priority to protecting consumer rights and interests, and that retailers respect those rights, including a consent requirement when switching tariffs. Customers on demand-based or time-of-use retail tariffs face a more complex charging structure than the flat-rate tariffs they are familiar with. These tariffs, can benefit customers, but they can also result in unexpected bill increases depending on how and when customers use electricity. This is particularly the case for more vulnerable customers, who require additional information, support and attention from retailers as part of the transition.

Retailer practices should support and incentivise customer acceptance of smart meters and reflect the many customer benefits associated with powering towards a modern, connected, and efficient energy system.

If you need more information or help with this matter, Dr Liam Byrnes, Executive Director, Department of Energy and Climate can be contacted on 0499 971 691 or email liam.byrnes@epw.qld.gov.au.

Yours sincerely



Mick de Brenni MP
Minister for Energy and Clean Economy Jobs
Leader of the House