



## Delivering more protections for energy consumers: changes to retail energy contracts

### We are seeking feedback on four rule change requests to improve consumer protections

On 28 November 2024, the Commission published a consultation paper in response to four rule change requests from the Hon. Chris Bowen MP, Minister for Climate Change and Energy, as Chair of the Energy and Climate Change Ministerial Council (ECMC). These four rule change requests are part of a larger package of seven rule change requests that together seek to help households access cheaper energy deals, increase support for people experiencing hardship, and deliver more protections for energy consumers.

The four rule change requests we are seeking feedback on in this consultation paper are:

1. [Ensuring energy plan benefits last the length of the contract](#)
2. [Removing unreasonable conditional discounts](#)
3. [Preventing price increases for a fixed period under market retail contracts](#)
4. [Removing fees and charges.](#)

### The rule change requests seek to improve protections for consumers on energy plans

These four rule change requests stem from findings presented to the ECMC from the Australian Competition and Consumer Commission (ACCC).

The ACCC's June and December 2023 *Inquiry into the National Electricity Market* reports found that:

- consumers who do not actively engage in the retail energy market experience higher prices, particularly those on legacy plans with large conditional discounts or expired benefit periods
- energy plans need to be more transparent about the frequency of price changes and the underlying fees and charges included.

### The rule change requests propose amending the functions of retail energy contracts to address the issues

The proposed solutions for the four rule changes are to amend the National Energy Retail Rules (NERR) to:

- require any benefit provided under a contract to extend for the duration of the contract (ensuring energy plans last the length of the contract)
- remove the grandfathering arrangement in the AEMC's Regulating conditional discounting final rule in 2020 to ensure that any conditional fees or discounts are limited to reasonable costs for those contracts in force prior to 1 July 2020 (removing unreasonable conditional discounts)
- not allow any increase to tariffs or charges payable by consumers for a specified fixed period following commencement of an energy plan (preventing price increases for a fixed period under market retail contracts)
- remove specific fees and charges that retailers typically levy in relation to establishing and maintaining contracts (removing fees and charges).

## We consider that there are four assessment criteria that are most relevant to these rule change requests

Considering the National Energy Retail Objective and the issues raised in the rule change requests, the Commission proposes to assess the rule change requests against four assessment criteria:

- **Outcomes for consumers.** We will consider the impact of these rule changes on incentives provided to consumers from retailers. We will also consider interactions with existing consumer protections and any additional costs to consumers.
- **Principles of market efficiency.** We will consider the impact of changes to retail contracts on retail competition, allocation of risks and costs between retailers and consumers and transparency of market offers.
- **Implementation considerations.** We will consider costs to relevant parties, any interactions with other processes and whether there are any impacts on market bodies, jurisdictions or across different groups of consumers.
- **Principles of good regulatory practice.** We will consider whether principle-based approaches are more appropriate than prescriptive approaches, and any interactions with other work, such as reviews by the AEMC or other bodies.

## Submissions are due by 16 January 2025

Written submissions responding to this consultation paper must be lodged by **16 January 2025** via the Commission's website, [www.aemc.gov.au](http://www.aemc.gov.au). Please use the project code **RRC0058** when lodging a submission.



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