

17 October 2017

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged online at www.aemc.gov.au
Project reference code **RPR0006**

Dear Sir/Madam

Re: *Draft Report – Review of regulatory arrangements for embedded networks*

Thank you for the opportunity to comment on the *Draft Report – Review of regulatory arrangements for embedded networks*.

As an industry-based external dispute resolution (EDR) scheme, the Energy and Water Ombudsman (Victoria) (EWOV) provides alternative dispute resolution services to Victorian energy and water consumers by receiving, investigating and facilitating the resolution of complaints.

EWOV supports the AEMC's proposal for significant reform to address the deficiencies in the existing regulatory framework for embedded networks. The AEMC's aim of better aligning regulation for standard supply and embedded network customers is in line with our long-standing view that as far as possible, all energy customers should benefit from equal protections.

In particular, we welcome the AEMC's endorsement of ombudsman access as a core customer protection. The draft proposal suggests that while the AER should have limited discretion to exempt authorised retailers on-selling in embedded networks from some conditions under the NERR, core minimum protections, including ombudsman access, should always apply. EWOV agrees that access to free and independent EDR should be one of the minimum protections for embedded network customers served by authorised retailers under the new framework.

For customers in legacy embedded networks, too, the AEMC has identified improving EDR access as a focus for the AER, ombudsmen and state governments. As the AEMC is aware, following its review of the General Exemption Order, the Victorian Government has decided that all retail exemption holders will be required to join a customer dispute resolution scheme by 1 July 2018. This may extend access to our service to Victorian customers in embedded networks in advance of the likely transition from exemption to licensing for some embedded networks. The implementation of this change is likely to be challenging and we expect that the Victorian experience throughout the process will be useful in informing the expansion of Ombudsman jurisdiction in other states.

We trust the above comments are helpful. Should you require further information or have any queries, please contact Matt Helme, Research and Communications Manager, on (03) 8672 4289 or matt.helme@ewov.com.au.

Yours sincerely



Cynthia Gebert
Energy and Water Ombudsman (Victoria)