

28 November 2014

Mr John Pierce  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Mr Pierce,

### **2015 Retail Competition Review Consultation Paper (RPR0003)**

Simply Energy welcomes the opportunity to provide comments in response to the Australian Energy Market Commission's (AEMC) 2015 Retail Competition Review Consultation Paper (the Consultation Paper).

We support the approach that the AEMC is proposing to adopt for the 2015 Retail Competition Review, however we have some suggestions that we consider would increase the value of the review's conclusions.

#### **Impact of exempt energy retailers**

One area that is lacking in the proposed approach is a consideration of the impact of energy retailers that have lately received exemptions for their operations from the National Energy Consumer Framework (NECF). The Australian Energy Regulator (AER) has issued a large number of these exemptions in recent months which is changing the nature of retail contestability and potentially the nature of the retailing activity.

The energy supplied by exempt energy retailers displaces the energy supplied by authorised energy retailers and therefore they are in direct competition with authorised energy retailers. The competition is significant because exempt energy retailers can offer much lower prices because they avoid network costs and avoid the costs associated with having to comply with the NECF.

Simply Energy recommends that the impact of exempt energy retailers be considered in the 2015 Retail Competition Review.

#### **Modelling the components of the retail bill**

The review includes estimates of the components (retail, wholesale, distribution, etc.) of consumer bills. Simply Energy considers that more accurate estimates will be obtained if industry participants are able to work with the AEMC's consultants when they are preparing the estimates.

#### **Information collection from retailers**

We welcome the AEMC's intention to leverage existing work and minimise data requests from retailers. Data collation requests take large amounts of time to complete and ties up internal resources so we appreciate the AEMC's intention not to burden retailers for this review.



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Please contact me on (03) 8807 1132 if you wish to discuss this submission with me.

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