

23 July 2020



Ms Merryn York
Acting Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Dear Ms York

ERC0302 Energy Queensland submission to the Directions Paper on National Electricity Amendment (Deferral of Network Charges) Rule 2020

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to Australian Energy Market Commission (AEMC) in response to the Directions Paper on the National Electricity Amendment (Deferral of Network Charges) Rule 2020.

This submission is provided by Energy Queensland, on behalf of its related entities, including:

- Distribution network service providers, Energex Limited and Ergon Energy Corporation Limited;
- A regional service delivery Retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail); and
- Affiliated contestable business, Yurika Pty Ltd including its subsidiary, Metering Dynamics Pty Ltd.

Energy Queensland notes the AEMC have determined to make a more preferable rule which is more refined and limited in its application to retailers. In particular, we note, and support, the ability of networks to apply interest on deferred network charges in order to allow network service providers to recover the efficient costs they may incur as a result of the payment deferrals.

Notwithstanding, we are concerned there may be significant implementation and compliance costs associated with this rule change proposal, which will ultimately flow through to customers. Furthermore, Energy Queensland notes there is no defined process for instances where retailers become insolvent or fail to pay the network business for any or all of their deferred network and interest charges. In the absence of this, these costs will be borne by the network and ultimately passed through to their customers.

We also note that the Consultation Paper included eligibility criteria for retailers to prove financial viability prior to the COVID-19 pandemic. However, this does not appear to have been included in the Directions Paper.

For these reasons, Energy Queensland recommends that the AEMC give further consideration to mitigating the risks likely to result as a consequence of this rule change proposal.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact myself or Barbara Neil on 0429 782 860.

Yours sincerely



Trudy Fraser
Manager Regulation

Telephone: 0467 782 350

Email: trudy.fraser@energyq.com.au