



15 August 2018

Australian Energy Market Commission
PO Box A2449
South Sydney NSW 1235

Lodged Online: www.aemc.gov.au

National Energy Retail Amendment Advanced Notice of Price Changes Rule 2018 Draft Rule Determination – RRC0015

Alinta Energy (**Alinta**) welcomes the opportunity to make a submission on the Draft Rule Determination for the proposed rule change “Advanced Notice of Price Changes”

Alinta is an active investor in the energy retail, wholesale and generation markets across Australia. Alinta has around 3000 megawatts of generation capacity in Australia (and in New Zealand) and a growing customer base of over 1 million customers in Western Australia and across the National Energy Market, and is well placed to provide comments on the proposed rule change draft determination.

Alinta is committed to improving the efficiency and effectiveness of the energy market, with a focus on improving outcomes for consumers. As such, Alinta is supportive of measures that assist customers in making informed decisions on the way they acquire and use energy. Providing customers with advanced notice of changes to the price of their energy is one way to assist in achieving such an outcome.

The conclusion in the draft rule determination – that the primary purpose of the proposed notice to be provided to customers is to inform customers of a change in their pricing – is one that Alinta supports. The scope of the rule change, however should confine itself to this purpose; any scope creep in the rule change to include the provision of additional information in correspondence with customers increases the risk of detracting from the main purpose of the notice and thereby diminishing the effectiveness of the original intent of the notice.

Whilst we support the provision of advanced notice to customers of price changes, we are of the view that advanced notice without mandating a set time period is a preferable option. This flexibility allows retailers to better manage the delivery of information via the customers preferred form of communication.

Alinta is broadly supportive of the proposed exemptions, however we would suggest that exemptions be extended to cover all situations where the price variation is not a direct result of the retailer resetting prices. An example is where Ministerial Directions result in changes to, or the removal (or introduction) of, fees and charges. Likewise, network tariff reassignment that occurs outside of the retailer's control should be a class of exemption.

Alinta is not supportive of the new provisions being considered as a civil penalty provision. The provision of a civil penalty was not requested as part of the proposed rule change.

The Commission considers that a civil penalty will provide an appropriate incentive to comply. However, if a retailer were not to comply with the new provisions, their obligation to provide remediation to redress what would be an inability to apply new pricing to a customer until such time as they have provided the required notification (which may include the application of credits / refunds) and the public aspect of reporting requirements would, in our view, be sufficient enough of a deterrent against potential non-compliance.

Should you have any questions or require any additional information in relation to our submission I may be contacted on (02) 9372 2653 or email: shaun.ruddy@alintaenergy.com.au

Yours sincerely

A handwritten signature in grey ink, appearing to read 'Shaun Ruddy', is positioned above the printed name.

Shaun Ruddy
Manager National Retail Regulation