

Mr Russell Pendlebury
Australian Energy Market Commission
Submitted via the AEMC website

Advanced Notice of Price Changes (RRC0015)

Dear Mr Pendlebury,

The Department of State Growth is pleased to provide feedback on the Australian Energy Market Commission's (AEMC) draft determination for the Advanced Notice of Price Changes proposed rule. I apologise for the delay in providing this response to you.

The Department's submission on the proposed rule change raised a number of concerns about the potential impacts of the proposed rule for Tasmanian customers and retailers; this included a potential implementation cost of \$300 000 per annum. The Department suggested that an exemption from the proposed rule should be applied to regulated standing offer contracts, in jurisdictions where effective retail competition is not yet evident. This position was also supported by Aurora Energy in its submission.

We were pleased that the AEMC draft determination provides an exemption for customers who are on regulated standing offer contracts (among a number of other exemptions). This would exempt the vast majority of Tasmanian customers from the proposed rule and avoid the potential cost impacts identified as an issue in the Department's initial submission. The Department supports the AEMC's decision to include the exemption in the draft determination and it is pleasing to see that the Department's feedback on this matter has been taken into account.

The AEMC also noted in the draft determination that there may be a preference to include exemptions (where identified as appropriate) within future rule changes for price regulated jurisdictions¹. The Department supports this approach (in principle) and notes that this more flexible approach may accommodate regional variations that have as the main focus seeking better outcomes for customers.

Yours sincerely



Sue Morrison
A/Executive Director
Office of Energy Planning

30 August 2018

¹ AEMC Draft rule determination, Advance Notice of Price Changes, pg.26