

Our Ref: EWOQ/19/0023
Your Ref: EMO0036

11 March 2019

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

aemc@aemc.gov.au

Dear Sir/Madam

Re: Draft Report – Updating the Regulatory Frameworks for Embedded Networks

Thank you for the opportunity to make a submission on the Australian Energy Market Commission's (AEMC) Draft Report on Updating the Regulatory Frameworks for Embedded Networks.

Background to EWOQ

The Energy and Water Ombudsman Queensland (EWOQ) provides a free, fair and independent dispute resolution service for small electricity and gas customers across Queensland and water customers in south east Queensland who are unable to resolve a dispute with their supplier. Our submission is based on our experience as an external dispute resolution scheme dealing with residential and small business energy customer complaints in Queensland, noting that EWOQ is unable to provide dispute resolution services to customers of an exempt seller.

Feedback on the Draft Report

EWOQ supports the intention of the new regulatory framework for embedded networks and welcomes any change, which will improve consumer protections and provide access to retail market competition for new embedded network customers.

As an industry ombudsman scheme, we are of the view that all energy customers, including those within embedded networks, should have equitable access to core consumer protections, including free and independent dispute resolution services. Currently that is not the case in Queensland where consumer protections for customers of embedded networks are limited as they do not have access to EWOQ's dispute resolution services, including the Ombudsman's statutory powers.

The new framework will provide greater alignment of regulation for standard supply and embedded network customers. In particular, EWOQ strongly supports regulatory reforms which will:

- Increase consumer protections in the areas of disconnections, billing information, payment options and notification of planned outages.

- Provide for new protections in the areas of new connection services, customer hardship programs and Retailer of Last Resort arrangements.
- Enhance the abilities of the Australian Energy Regulator to monitor and enforce compliance of sellers in embedded networks to provide these consumer protections; and
- Improve access to retail competition.

It is acknowledged that regulatory changes may also be necessary by state and territory governments to:

- Improve access to concession and rebate schemes, and emergency financial assistance.
- Provide access to independent Ombudsman dispute resolution services.
- Introduce reliability protections, including Guaranteed Service Level schemes; and
- Provide retail price controls.

EWOQ further recognises the benefits of transitioning legacy embedded networks to the new framework and supports the extension of consumer protections to existing embedded network customers. It is understood however, that there may be a myriad of challenges to transition legacy embedded network customers to the new framework, including metering infrastructure, compliancy challenges and costs.

Thank you for the opportunity to contribute to this submission. If you require any further information regarding this matter, please contact me on (07) 3087 9455.

Yours sincerely



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c.c. Jane Pires