



The Hon Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage,
Leader of the Government in the Legislative Council

DOC25/112327

Ms Anna Collyer
Chair
Australian Energy Market Commission

By email: anna.collyer@aemc.gov.au

Dear Ms Collyer *Anna*

I am writing regarding the Australian Energy Market Commission's (AEMC) Pricing Review: Electricity pricing for a consumer-driven future, that was self-initiated in July 2024.

I appreciate the important role the AEMC has in considering complex energy market issues and making rule changes to best support the energy transition under the national electricity objectives.

As you are aware, new tariff types and charges have emerged in the retail market to help manage the energy transition. Cost reflective tariffs, such as demand tariffs, have been introduced with the intention of better reflecting the costs of making electricity supply available, particularly at peak times. Distribution networks and retailers are increasingly assigning customers to demand tariffs, as the rollout of smart meters, being a key enabler to assigning customers to a demand tariff, accelerates.

Research from the Independent Pricing and Regulatory Tribunal's (IPART) annual market monitoring report, Monitoring the NSW retail electricity market 2023-24, and feedback from consumer advocacy groups strongly indicates that energy consumers need more information and support to benefit from a movement to cost reflective tariffs, particularly demand tariffs.

In September 2024, the NSW Government launched its NSW Consumer Energy Strategy: Powering our people and communities, where we committed to a suite of actions to help households and small businesses benefit from a transition to a renewable energy future. This included committing to advocate for national reforms that will require retailers to collect and provide advice to customers on the potential bill impact of new tariffs before their tariff pricing structure is varied.

The Government supports the AEMC's rule changes made within the Accelerating smart meter deployment rule change, scheduled to take effect from 1 December 2025, that will require retailers to provide customers with bill estimates based upon their historical energy usage before they can be charged under a new tariff type.

I note that this rule change will only remain in effect until 31 May 2031, however consider the importance of consumers being provided with appropriate bill impact information and resources to inform responses to changes in price signals to be an ongoing need. As such, I request that the AEMC considers mandating the provision of this information by retailers to energy consumers, when proposing to vary a customer's tariff type, as an ongoing requirement.

I also note the AEMC's rule change determination that retailers will also be required to provide energy customers with information regarding how to understand and monitor their energy usage. I consider this should be appropriately broadened to include a requirement to provide consumers

with resources around typical behavioural changes that can assist in supporting energy bill savings under a change to a cost reflective tariff type. For example, energy retailers could be required to provide customers with a factsheet or guidance on how to reduce their bills by responding to price signals prior to a proposed change in their tariff type.

I welcome your consideration of these matters through the Pricing Review and look forward to continued engagement with this work program as it proceeds.

If you wish to discuss this matter further, please contact Matthew Sander, A/Director Energy Consumer and Competition Policy at the Department of Climate Change, Energy, the Environment and Water at matthew.sander@dpie.nsw.gov.au.

Sincerely



Penny Sharpe MLC

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4/4/25