

AEMC Pricing Review

Private consumer submission:

Recommendation 1. 'Require energy service providers to charge all customers on the same plan the same price, to address the 'loyalty tax' on customers who don't switch and ensure every customer is always on the best price':

Response: Removal of any process that reduces the benefits of those able to change provider at the expense of those unable to actively change their provider is to be applauded. We receive a health refund due to having a CPAP machine, the application form has to be completed and signed by a medical practitioner every 2 years or each time you change supplier! It costs us approximately \$130 to see our GP (doesn't bulk bill and no clinics are available in our city) so any saving must be very substantial to warrant switching service providers. Current estimates suggest that mild to severe OSA affects approximately 10–20% of the adult population in Australia, with higher prevalence among the elderly, males, and individuals with comorbid conditions such as obesity and hypertension. Thus, any change in electricity market billing must take this significant market segment into account.

Recommendation 2

'Introduce a competitive franchise for the cohort of customers who haven't chosen a market offer, so that all customers are on a competitive plan'

Response: Any recommendations and "competitive auctions " or other mechanisms MUST ensure equity for those living in different geographic locations. The tyranny of distance MUST not be extended or made greater. Already service provider daily availability charges are higher for those in Rural, Remote and Regional areas however these areas contribute to the economy in a large way. Any increase in this discrepancy is to be strenuously rejected. Roads charges are uniform throughout the state, why should Electricity provision be any different. Phone and internet costs are similarly treated. Surely Electricity supply should be the same.

Recommendation 3: Periodically review whether regulations are supporting good consumer outcomes in an evolving market.

Response: Supported as long as reviews are always through **the lens of equity** of provision regardless of physical location of the consumer.

Recommendation 4: Provide the AER with additional funding to upgrade Energy Made Easy so that consumers can easily compare electricity offers, including new and emerging types.

Response: AER retail pricing guidelines must ensure equity for location and technical ability or availability of access to technology through digital services.

Recommendation 5: Amend the rules to focus network tariff design on efficiency, supporting a lowest-cost grid and a fairer sharing of costs among consumers

Response: Network tariffs must be equitable for the consumers through a level rate being offered irrespective of geographic location, social factors or economic literacy. The use of "Dynamic Location Signals" and Dynamic Pricing will result in increased costs for small consumers whilst those who are the larger users gain benefit. This will adversely impact low income earners, pensioners and the poor while those who have a greater energy use due to swimming pools, air conditioning, electric vehicles will be advantaged. This seems to be a very retrograde step. It is deplorable of anyone attempts to argue otherwise. Privilege and wealth should not be rewarded at the expense of others.

Locational Distribution Network Pricing will be of benefit to metropolitan users and be a great disincentive for people to live and work in Regional areas. Surely as our cities are suffering from overcrowding, land shortages and escalating prices any mechanism that acts as a disincentive for regional development must be rejected.

Recommendation 6: Amend the rules to ensure networks design tariffs for energy service providers, rather than directly for customers, to promote more flexible and innovative retail offers.

Response: One would expect the Energy Market Regulator to be responsive to the needs of the consumers and customers, not place a higher value on the Network.

If the changes are so beneficial it should not be necessary to consider transitional measures. This implies that consumers will be far worse off under the proposals and should call in to question the basis for the recommendations.

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