

27 May 2013

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Sir/Madam,

**RE: Strategic Priorities for Energy Market Development 2013 Discussion Paper**

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide comments on the *Strategic Priorities for Energy Market Development 2013 Discussion Paper* (the Discussion Paper). These comments are in addition to those made by the ERAA at the stakeholder workshop held in Sydney on 24 April 2013.

The ERAA represents the organisations providing electricity and gas to almost 10 million Australian households and businesses. Our member organisations are mostly privately owned, vary in size and operate in all areas within the national electricity market (NEM) and are the first point of contact for end use customers of both electricity and gas.

The ERAA broadly supports the three strategic priorities proposed by the Australian Energy Market Commission (AEMC) in the Discussion Paper. Further comments relating to each priority are outlined below under relevant headings. The ERAA values the ability to contribute to the development of the AEMC's strategic priorities. This process provides an opportunity for stakeholders to raise issues not directly related to particular segments or elements of the market for consideration in forward planning.

**Consumer priority**

The ERAA agrees that the continued promotion of competitive retail markets is essential. Enhanced consumer participation in the retail energy sector is an important driver of innovation, allowing products to be tailored to meet consumer demands. As outlined in the Power of Choice Final Report, improvements to technology including smart metering will provide new opportunities for consumers to benefit. However, related consumer engagement measures will not be successful if they are too prescriptive. Instead, flexible arrangements are required to ensure that benefits are enjoyed by all consumers.

**Gas priority**

The gas market is an increasingly important sector in the Australian economy. It is also going through a period of major development and change, which is recognised by the range of Government reviews and industry projects currently underway in relation to this market. Given this evolutionary state, the ERAA welcomes the inclusion of the gas priority. Efficient gas markets are integral to ensuring gas supply continues to meet the needs of end use customers throughout the upcoming new era of gas use.

**Market priority**

The AEMC's retention of the market priority is an important recognition of the need for a stable investment climate free from unnecessary barriers and distortions. Policy uncertainty increases costs for consumers and ad-hoc changes can lead to unnecessary confusion. The



The collective voice of  
electricity and gas retailers

AEMC's ongoing assessments of the competitiveness of jurisdictional retail energy markets are crucial to ensure market benefits are able to be realised through price deregulation.

Should you wish to discuss the details of this submission, please contact me on (02) 8241 1800 and I will be happy to facilitate such discussions with my member companies.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cameron O'Reilly'. The signature is fluid and cursive, with a large loop at the end of the last name.

Cameron O'Reilly  
CEO  
Energy Retailers Association of Australia