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Mitchell Shannon
Senior Adviser
Australian Energy Market Commission
Sydney South
NSW 1235

By email: mitchell.shannon@aemc.gov.au

23 July 2020

Dear Mitchell,

Deferral of network charges rule change

AGL Energy (AGL) welcomes the opportunity to comment on the Australian Energy Market Commission (AEMC) deferral of network charges rule change directions paper.

AGL does not support the draft rule as outlined in the directions paper due to its discriminatory treatment of different retailers. By determining eligibility based on retailer attributes, rather than just customer need, the draft rule is contrary to the fundamental design of the NEM as an open access network which all authorised retailers can access on equal terms. The draft rule risks disrupting normal market forces and may potentially provide a competitive advantage to certain retailers. AGL therefore suggests the AEMC exclude the retailer eligibility component from the draft rule, so that eligibility is solely determined by customer eligibility.

The directions paper notes that the 3% interest rate for network charge deferrals is likely to be higher than the lending rate currently available to some large retailers. AGL considers this aspect of the rule, which could be applied equally to all retailers who wish to defer network charges, is an adequate mechanism to ensure that only those retailers that have a legitimate need for the support due to the pandemic will access it.

If you have any queries about this submission, please contact Anton King on (03) 8633 6102 or aking6@agl.com.au

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'C. Hristodoulidis', with a horizontal line underneath.

Con Hristodoulidis
Senior Manager Retail Markets Regulation