

## CONSUMER ADVISORY COMMITTEE

**MEETING:** November 2015

**DATE:** 25/11/2015

**TIME:** 10:00am

<b>Present</b>	<u>Members</u> Mr Charles Millstead (QCA, Presiding Officer) Ms Rose McGrath (Queensland Council of Social Service) Ms Robyn Robinson (Council on the Ageing) Ms Julia Mylne (Chamber of Commerce and Industry Queensland)
<b>Observers</b>	Ms Jennifer Top (Energy and Water Ombudsman Queensland) Mr Rodney Cameron (Department of Energy and Water Supply) Ms Catherine Barker (QCA) Mr Adam Liddy (QCA)
<b>Apologies</b>	Mr Warren Males (Queensland Canegrowers Association) Mr Gary Sacre (Energy and Water Ombudsman Queensland) Mr Ian Jarratt (Queensland Consumers Association) Mr Jon O'Mally (Financial Counsellors' Association of Queensland)

- 1 Previous minutes** The Committee resolved that the minutes of the meeting held on 31 August 2015 be accepted as a true record of proceedings.
- 2 Status of outstanding issues** The QCA informed members that it had completed an investigation into the potential breach of s22A of the *National Electricity Retail Law (QLD) Act 2014*. While the QCA had discovered some pricing anomalies on the Energy Made Easy website, retailers informed the QCA that standing offer customers were charged notified prices in accordance with s22A.

The QCA also advised Members that it had added information to its website regarding Queensland NECF derogations administered by the Australian Energy Regulator (AER), as requested at the last meeting.

- 3     **Retail price determination 2016-17**
- Members discussed the 2016-17 retail price determination processes. The QCA informed Members that it expected to receive a delegation from the Minister for Energy and Water Supply to set 2016-17 regulated retail electricity prices in the near future. The QCA aimed to release an interim consultation paper as soon as possible after it received a delegation from the Minister.
- Members discussed price deregulation in south east Queensland, the introduction of market monitoring, and the Queensland Productivity Commission's electricity inquiry.
- Members discussed consultation workshops and the potential for the QCA to coordinate consultation with initiatives run by CAC members.
- 4     **Enforcement guidelines**
- Members discussed the revised enforcement guidelines, which came into effect on 26 October 2015.
- 5     **Enforcement issues**
- Members discussed two enforcement issues addressed by the QCA.
- 6     **Other decisions since last meeting**
- Members discussed June quarter 2015 information reported by retailers and distributors. Members discussed the number of customer disconnections, potential causes of customers being disconnected, and issues with the current government assistance framework for customers experiencing hardship.
- Members were reminded that retail reporting would be published by the Australian Energy Regulator (AER) in future. QCOSS informed members that it had additional information on AER reporting which would be circulated to Members via email.
- 7     **Forward work program**
- Members noted the paper.
- EWOQ Update**
- EWOQ updated members on its activities. Members were informed that with the amendment to the Energy and Water Ombudsman Act 2006, increasing the threshold limit for eligible small businesses to access EWOQ from 100 megawatt hours per annum (MWh) to 160 MWh, EWOQ are going ahead with planning and training on the effect of the Energy and Water Ombudsman Queensland's role.
- From 1 July 2015 to 30 October 2015, EWOQ received 3,338 cases.
- Top three issues for cases were:
- Billing – includes disputed bills / high bills / estimated bills (1301)
  - Credit – includes payment difficulty / disconnections / bad debt (590)
  - Customer service – Failure to inform/respond, incorrect advice, poor attitude/service (345)

## DEWS Update

The representative from DEWS provided Members with the following update:

### *Retail market deregulation in South East Queensland (SEQ)*

- As Members are aware, the Queensland Government has made a decision to delay price deregulation in SEQ until 1 July 2016. This delay will allow the move to deregulation to be informed by advice on deregulation from the QPC.
- Delaying deregulation has also allowed Government more time to work in partnership with industry and non-Government organisations to improve customer understanding and engagement in the retail market. This will better equip customers to understand the benefits of shopping around for better offers in a competitive market.
- DEWS has a strong interest in ensuring that vulnerable consumers are engaged in the market and are able to access the best offers and energy retailer for their needs. DEWS will continue to consult with stakeholders to understand their experiences with vulnerable consumers so that these experiences are taken into account to ensure vulnerable customers are able to access the benefits of deregulation.

### *Support for small business*

- DEWS is pleased to advise Committee members that the Government has recently passed legislation to expand access to the Energy and Water Ombudsman Queensland (EWOQ), for small businesses that consume high amounts of electricity.
- This delivers on the Government's commitment of supporting small business to facilitate job creation and economic growth, as it ensures that high energy-using small businesses have access to a free and independent dispute resolution mechanism for electricity related matters.
- The amendments mean that small businesses that consume up to 160 megawatt hours of electricity per year, such as small supermarkets, bakeries, manufacturing businesses, amateur sporting clubs, community groups and not-for-profit organisations, will have access to EWOQ services.

### *On-supply customers*

#### Amendments to Exempt Selling Guideline

- The Australian Energy Regulator (AER) is currently considering a revised version of the Exempt Selling Guideline that applies to on-suppliers as 'exempt sellers' in jurisdictions that have adopted the National Energy Customer Framework (NECF) like Queensland.
- The AER is proposing to amend the Guideline following a comprehensive review to bring alternative energy selling activities within the exempt selling framework. Importantly, the AER is proposing to amend the Guideline to include a mandatory obligation on exempt sellers (e.g. on-suppliers) to claim government energy rebates and concessions for exempt customers (e.g. residential on-supply customers who are eligible for energy rebates and concessions).
- The Queensland Government has provided a submission to the AER in support of the proposed amendments. The AER is expected to hand down its decision shortly. Any amendments to the Guidelines are anticipated to commence on 1 January 2016.

#### AEMC Retailer of Choice Rule Determination

- The Australian Energy Market Commission (AEMC) has also published a draft Rule Determination to allow on-supply customers a choice of who they purchase electricity from, including from retailers in the competitive retail market.
- The AEMC is expected to release its Final Rule Determination closer to Christmas. DEWS will continue to engage with stakeholders through the Embedded Network Reference Group (ENRG). We are keen to use the ENRG to continue to collaboratively explore and understand potential impacts of the AEMC's Final Rule on industry and consumers.

#### Queensland Government Regulatory Impact Statement on improved protections for on-supply customers

- DEWS has prepared a comprehensive Regulatory Impact Statement (RIS) considering a range

of options to improve protections for Queensland on-supply customers.

- The RIS will be made available on the DEWS website shortly and stakeholder feedback is welcomed.

*National Energy Market reform*

- COAG Energy Council is meeting next week, on 4 December.
- Key topics for discussion will include carbon reduction in the national electricity market and the release of a national energy productivity plan, emerging technologies (including customer protections), gas market reform and governance arrangements.
- Queensland is co-chairing the emerging technologies work and is particularly keen to see barriers removed to new technologies in the market. This includes development of standards for batteries and appropriate ring fencing guidelines so that new technologies (like batteries) can be used to improve customer choice and also reduce network system costs.

**General business** Members briefly discussed retail water supply issues.

Members discussed the Australian Energy Market Commission's review of competition. Members discussed types of market offers available to electricity customers.

Members discussed the future timing of meetings. Members preferred that the QCA hold meetings less frequently and coordinate future meetings with the release of pricing determinations and other significant issues. The QCA agreed to provide Members with suggested future meeting dates when the consultation timetable for the 2016-17 pricing determination was available.

<b>Next meeting</b>	<b>MEETING:</b> TBC <b>TIME:</b> TBC
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