



**EnergyAustralia**

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Queensland Productivity Commission  
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### **Electricity Pricing in Queensland: Response to Draft Report**

EnergyAustralia welcomes the opportunity to provide feedback on the QPC's draft report into *Electricity Pricing in Queensland*.

Long term policy development requires considered, objective and constructive dialogue to achieve clear economic and social outcomes. In that context, the QPC should be congratulated for a very thorough, well considered and balanced draft report that examines the evolution of the electricity market in QLD and the drivers for its transformation into the future.

EnergyAustralia is focussed on delivering outcomes for our customers and we believe the draft recommendations will improve outcomes for Queensland electricity consumers.

We fundamentally believe a competitive, deregulated and nationally harmonised electricity market, where customers can choose the most suitable and lowest cost products, and where vulnerable customers are appropriately protected, delivers the best mix of outcomes for consumers.

EnergyAustralia supports the harmonisation of national energy rules and regulations to create an efficiently operating energy market that minimises costs as a result of duplicated yet inconsistent regulations. Adopting the National Energy Customer Framework (NECF) in Queensland has helped to reduce the regulatory burden on retailers and ensure strong consumer protections for Queensland customers.

We welcome the opportunity to further explore these views with the QPC.

Yours sincerely,

**Ken Macpherson**  
**Head of Reputation**

## **Structure of this submission**

This first section provides our response to key issues consistent with our initial submission.

At appendix 1, we provide our position and views, where relevant, on each of the 54 recommendations in the draft report.

## **About us**

EnergyAustralia is one of Australia's largest energy companies, providing gas and electricity to 2.6 million household and business accounts across the National Electricity Market (NEM) with a diverse generation portfolio of coal, gas and renewable assets. We serve approximately 112,000 retail customer accounts in South East Queensland.

## **SEQ Deregulation**

EnergyAustralia strongly supports the introduction of retail electricity price deregulation in SE Queensland and we are pleased with the QPC recommendation and subsequent confirmation from the government that deregulation will commence on 1 July 2016. Price deregulation of electricity in South East Queensland is important to enable EnergyAustralia to have the confidence there is a growth market in Queensland to underpin further investment by us in the state.

Engaging and informing consumers about the benefits of a deregulated market is critical to successful market reform. Deregulation means better deals are available to customers, but it also means that customers need to be aware of the choices available and actively participating to select the best offer for each individual customer. EnergyAustralia is currently working with government and consumer stakeholders to ensure that the benefits of deregulation are explained to customers, and that even the most vulnerable groups will be empowered to seek a better electricity deal.

We recognise that for the benefits of price deregulation to be fulfilled, change is required to instil a culture of participation in the market. It is important to ensure that customers are aware that they can always get a better deal than the standing offer and that once they have made the initial switch it is important to stay engaged to ensure their market offer continues to meet their ongoing needs. For this reason, we consider any additional requirements beyond the National Energy Retail Rules provisions for the publication of Standing Offers will only undermine consumer engagement as it would legitimise these offers as a valid alternative rather than a fall back option for customers who are unable to engage.

EnergyAustralia believes the National Energy Customer Framework (NECF) consumer protections, the additional protections implemented by the Queensland Government and the market monitoring regime are adequate to protect vulnerable customers in transition to deregulation. We therefore support recommendation 27.

## **Regional QLD**

EnergyAustralia only markets to large customers in regional Queensland as the combination of the Uniform Tariff Policy (UTP) and the Community Service Obligation (CSO) means that the costs of supplying small customers in this region exceeds the returns even in the lower cost areas of the Ergon network.

We support reforms that increase retail competition to all customers across QLD. While the UTP will be retained, the QPC outlines a logical pathway to retail contestability and competition in regional areas by removing the barrier created by CSO payments being made to Ergon Retail. A network CSO payment will enable competition, contestability and provide opportunities for the government to reduce the budgetary impact of CSO payments over the medium term.

### **Non-reversion Policy**

EnergyAustralia strongly supports the QPC's draft recommendation 35 and believes the non-reversion policy should be removed immediately. This policy requires that a small customer who has transferred away from Ergon Energy Retail cannot return. The intent of the policy appears to have been to encourage competition to evolve organically, but in a one-way direction. In effect, it has given customers only one choice of retailer and creates a lot of additional costs for other retailers to acquire small customers in regional Queensland.

Retailers other than Ergon Energy Retail would make substantial losses in trying to serve customers by not receiving the CSO and by incurring costs to set up compliant billing for any customers who are acquired.

EnergyAustralia has seen a tenfold increase in the number of regional C&I customers on competitive market contracts whose annual consumption falls below 100MWh pa and who revert to a small customer on notified prices over the last quarter. EnergyAustralia does not offer retail electricity to mass market customers in the Ergon zone because of the CSO limitations, nor has it created an Ergon zone tariff in its billing system. Currently, the customers who are impacted are not receiving regular, fully compliant bills nor can they revert to Ergon Energy (retail).

### **Concessions**

We support the QPC recommendations in relation to concession programs. Particularly aligning eligibility to other states jurisdictions by including the means-tested Commonwealth Governments Health Care Card. This also enables the QLD concession program to provide support to those who actually need it the most, being low income households.

Furthermore, as outlined in our initial submission, we strongly support the recommendation to advance national harmonisation of concessions through COAG or even through the Productivity Commission. This is increasingly important to retailers because of the cost and complexity of providing different and inconsistent concessions across the different state jurisdictions. EnergyAustralia is currently providing 19 different concession programs, the cost of which is significant and borne by the entire customer base

In addition to administrative cost benefits, national harmonisation will also ultimately assist customers awareness as simplified and understandable concession programs will minimise risks to eligibility or payment errors. This is a particular issue as call centre staff currently need to be aware of the specific details of around 20 different concession programs across eastern Australia.

## **Renewable Energy and Emission Targets**

In our initial submission, we outlined that we support a nationally consistent approach to renewable energy policy and this provides a more efficient way of reducing emissions and deploying renewable energy to consumers. State-based renewable energy schemes that provide subsidies to certain participants do so by introducing distortions to the market that increase electricity bills within that state. We therefore support recommendation 9 in relation to the consideration of cost and price impacts on consumers and the benefits of national approaches to emissions reduction targets. We also understand the expert panel will examine this under their scope.

We support draft recommendation 9 and recognise an expert panel will examine the issue in detail, but are unsure of the benefit of the ACIL Allen modelling to this inquiry. While we appreciate the detail of such modelling cannot be condensed into a chapter within a report, we do not understand the fundamental modelling assumptions and are therefore unclear on the validity of the modelling results. Questions including whether the proposed QRET is additional to the federal RET and who pays for the PPAs or FiTs are not answered. It appears the modelling assumes that the black coal generation remains in operation during the modelling period while gas generation is retired, but the report does not present sensitivities nor consequences if coal generation closes.

Furthermore it appears the modelling indicates a QRET would result in a high cost to QLD consumers (\$10.8B) to moderately reduce emissions by 117Mt (2017-8 to 2034-5) at a relatively high cost \$92/tonne (compared to \$14/tonne through the ERF). We have seen significant impacts on wholesale electricity prices from renewable policies in South Australia, where renewables are approximately 41% of all generation and coal generation is withdrawing.

We would also suggest that the expert panel, while considering a 50% state renewable energy target, should also consider the risks and impacts from thermal generation closures over the same timeframe. Risk of initial market oversupply with significant wholesale market impacts and ultimately reliability of supply issues as dispatchable generation withdraws.

With a focus on improved outcomes to the customer, deployment of renewable energy should be balanced with providing reliable and cost-effective supply of electricity. Wholesale market conditions and the technical capability of transmission networks may enable a modest amount of additional renewables to be added, but careful analysis of predicted outcomes of additional renewables should be undertaken prior to firm commitment being made by Government and this should be considered by the expert panel.

Despite the Government's advice that it will not end the Solar Bonus Scheme before 2028, we remain concerned about the cost burden it places on non-solar consumers, particularly vulnerable consumers. The draft report presents recent forecasts by Energex and Ergon Energy that the Solar Bonus Scheme could cost \$4.4 Billion by 2028. It is adding up to \$89 to a typical Queensland household electricity bill in 2015/16. This is inherently inequitable.

**Appendix 1: EA comments on the draft QPC Recommendations**

<b>Draft QPC Recommendation</b>	<b>EA Position and Comment</b>
<b>Supply chain productivity</b>	
1 To ensure the development of an efficient electricity market, the Queensland Government should not favour any technology over another, and allow the market to evolve to meet consumer demand.	EA Supports. The electricity industry is experiencing a phase of transformation where competition remains a key driver of growth. Technology neutral, market-based mechanisms will provide the most efficient outcomes.
2 To ensure the development of an efficient electricity market, government intervention should be limited to circumstances of clear market failure, and all government intervention should only occur after there is a clear demonstration that the benefits outweigh the costs.	EA Supports. Market intervention dilutes commercial signals and undermines investment confidence. It should be a last resort where clear market failure exists.
3 The Government should implement an ongoing review program, in conjunction with the network businesses, to monitor the impacts of emerging technology, and to identify the potential need for an early response to be made, based on an assessment of the costs and benefits.	EA believes QLD is part of a harmonised national market where national bodies AEMC, AER, AEMO and COAG have regulatory oversight and are well placed to assess impacts of emerging technologies. Network businesses are one stakeholder in the electricity supply chain.
<b>Generation</b>	
4 The Queensland Government should not merge CS Energy and Stanwell, given the likely reduction in competition in Queensland's already concentrated wholesale electricity market and the likely consequence of higher wholesale electricity prices.	No particular comment
5 The Queensland Government requirement for CS Energy and Stanwell to achieve operating efficiencies should be complemented by a strengthening of the shareholder oversight role to ensure clear targets for improving performance are set and achieved.	No particular comment
6 To reduce the combined market concentration of CS Energy and Stanwell, the Queensland Government should confirm that it does not intend to increase the size of the existing Government owned corporation (GOC) generation capacity.	No particular comment
7 The Queensland Government should require CS Energy and Stanwell to develop and adhere to a common voluntary Code of Conduct (the Code) in respect of their rebidding behaviour. The Code should be developed as part of a public consultation process.	EA does not support. We generally don't support secondary regulations, even if they are voluntary, that are additional to the established AEMO regulated market rules. If there is a failure in the market rules, then they should be addressed by AEMO.
8 The Queensland Government should require CS Energy and Stanwell to report to the	No particular comment

Government, on an annual basis, all late rebids submitted to the Australian Energy Market Operator. This report should be audited by an independent body, and the findings of the audit made available to the public.	
9 The Queensland Government's Renewable Energy Taskforce should consider: the cost and price impacts of a Queensland target; the merits of including small scale solar in a renewable energy target; and the benefits of an inter-jurisdictional approach to emissions reduction policy.	EA supports. The Expert Panel should consider the cost of a high state-based renewable energy target to QLD and the benefits of an inter-jurisdictional approach. EA supports national policies and does not support state based renewable schemes as these create market distortions and increase costs for consumers.
10 In order to achieve least-cost carbon abatement, the Queensland Government should work with the COAG Energy Council to find opportunities for collaboration on carbon policy, as an alternative to pursuing independent action.	EA supports. A national approach to emissions reduction, in collaboration with other states, will provide a more efficient outcome and lower prices for consumers.
11 The Queensland Government should not intervene in the solar PV market to achieve a 3000 MW capacity target for solar PV uptake in Queensland by 2020.	EA supports. The government should not intervene in the solar market. Existing support for small scale solar is likely see this target achieved without intervention.
<b>Networks</b>	
12 The Queensland Government's planned merger of the network businesses to achieve efficiencies should be complemented by strengthening of the shareholder oversight role to ensure clear targets for improving performance are set and achieved.	No particular comment
13 The holding company should undertake an organisation structure review to ensure service delivery is maintained while achieving the savings from the merger.	No particular comment
14 Where network businesses are engaged in potentially competitive functions, the holding company should: ensure priority is given to the core activities of the businesses being the provision of electricity network services; ensure there is robust ring-fencing between the competitive and monopoly functions; undertake market testing of any commercial interactions between the functions; and consider a longer-term strategy of full structural separation of the energy services business and the natural monopoly distribution businesses.	EA supports. The role of network businesses should not, without appropriate consideration and ring-fencing protections, extend into provision of contestable services. EA views the development of a nationally consistent guideline as a high priority and welcomes the AER's forthcoming Consultation Paper.
15 To ensure that the national regulatory frameworks effectively respond to the development of new technologies and business	EA supports.

models, the Queensland Government should work proactively with the COAG Energy Council on reforms in this area.	
16 Distribution businesses should continue to minimise or defer network capital expenditure by pursuing both tariff and non-tariff demand management programs (including discounts or rebates) for customers who shift their load to off-peak periods or are subject to interruptability of supply.	EA supports. As a customer-centric retailer, EA supports mechanisms that place downward pressure on distribution network tariffs reducing electricity costs for consumers. This includes the clear delineation between network and contestable services, and biases in regulatory frameworks that favour network solutions.
<b>Solar Bonus Scheme</b>	
17 The Queensland Government should consider the merits of an earlier end to the Solar Bonus Scheme than the planned 2028 scheme closure.	EA supports on the basis of the high cost to households, particularly to vulnerable customers. We also note that most participants in the scheme have recovered their investment. Other provisions could be made for those who have not fully recovered their initial investment.
<b>Retail markets and consumers</b>	
18 The Queensland Government's involvement in the retail market should be limited to: points of significant change in the market that require the trust and credibility governments have with consumers (e.g. deregulation in SEQ, tariff reform); and - providing targeted support for vulnerable customers, including partnerships with the community sector.	EA supports.
19 The Queensland Government should prepare for its review of the effectiveness of the National Energy Retail Law (NERL) in Queensland by determining: whether the information retailers are required to publish in the market is sufficient to encourage effective consumer choice; whether the arrangements are sufficiently flexible to apply to new products and services, and do not unnecessarily stifle innovation or limit competition; whether the current retail market framework is applicable to new or alternative service providers and provides a level playing field for all participants while ensuring adequate consumer protections are retained; and options to improve the competitiveness of standing offers, including requiring retailers to publish their standing offer prices on the same day which is likely to have consumer benefits.	EA supports some elements however we do not consider that the same day publication of standing offers is likely to bring consumer benefits. Increasing the focus on standing offers sends a message to consumers that participating in the market is unnecessary and that they will not necessarily be better off on a standing offer. Although not all market offers will suit a customer's circumstances they will always find a market offer that will be better than the standing offer. There are also practical issues for retailers setting tariffs on a predefined day or date range as a large proportion of costs are not within retailers' control (i.e. network costs and green energy costs where a compliance percentage is set by a regulator). Where regulated cost approvals or notifications are delayed, appealed or uncertain, retailers will be in the position of setting standing offer prices without full knowledge of their costs. In these cases, the uncertainty is likely to be 'priced in' leading to higher

	costs for customers.
<b>Shareholder Interests</b>	
20 The Queensland Government should consider a simplification of reporting relationships with the GOCs and adopt an active best practice approach as the Government shareholder.	No particular comment
21 The Queensland Government should consider enhancing its shareholder performance monitoring role for electricity GOCs with a focus on achieving cost and performance efficiencies.	No particular comment
<b>Deregulation in SEQ</b>	
22 Deregulation of the SEQ retail electricity market should commence as planned on 1 July 2016.	EA supports and commends the Government for confirming deregulation will proceed on 1 July 2016.
23 If the Queensland Government accepts draft recommendation 22, market participants should be advised of the timing of deregulation as soon as possible.	EA supports and recognises the timely advice by the government.
24 To support the move to price deregulation and promote greater customer participation in the SEQ retail electricity market, the currently planned customer engagement campaign should: provide sufficient advice and information to consumers to assist with comparing offers, and be tailored to address the needs of vulnerable customer groups; and provide assistance to non-government organisations (NGOs) to assist vulnerable and disadvantaged consumers to fully participate in the market.	EA supports. We confirm that we are willing to work with the Government to provide information to customers about the benefits of competitive retail markets.
25 The currently proposed market monitoring arrangements, which include market comparison reports by the Australian Energy Market Commission (AEMC), AER and an annual report from the QCA on price and cost movements in SEQ, are adequate.	EA supports and notes the currently proposed arrangements will be adequate.  We would note that in relation to the QCA gathering information on retailers costs in a fully deregulated market, we would expect this to be done in a careful, reasonable and non-intrusive manner, considering commercial sensitivities.
26 Monitoring the efficiency and effectiveness of standing offers should form part of the Queensland Government's market monitoring arrangements for SEQ.	EA supports however we consider that placing unnecessary focus on standing offers may undermine consumer engagement as remaining on Standing Offers will be seen as a valid choice.
27 Should retail price deregulation in SEQ proceed, adequate consumer protections exist, and we have therefore not recommended additional protections to those already developed.	EA supports and agrees that existing consumer protections are adequate.
28 The Queensland Government should	EA supports a focus on vulnerable



<p>monitor the impact of deregulation on vulnerable and low income customers, particularly in relation to: understanding contract terms and benefits, including percentage discounts off standing offers; and late payment penalties.</p>	<p>consumers however we note that the AER is responsible for regulating retailer hardship programs and are best placed to make comment on vulnerable customer outcomes and the difference in approaches between states. We also note that the AEMC monitors a range of parameters in relation to vulnerable customers in its annual retail competition reviews.</p>
<p><b><i>Options for increasing competition in regional QLD</i></b></p>	
<p>29 The Queensland Government should make the current UTP arrangements transparent by: reporting on how the UTP CSO is defined and calculated; and reporting annually on the distribution of the CSO including identifying CSO recipients by category (very large, large, small and residential customer), region, and industry sector and subsector (where possible) and reporting annually on the distribution of the CSO including identifying CSO recipients by category (very large, large, small and residential customer), region, and industry sector and subsector (where possible).</p>	<p>EA supports this draft recommendation.</p>
<p>30 To facilitate retail competition in regional Queensland, the Queensland Government should implement a network CSO, although changes to the UTP arrangements should be considered to offset some of the additional costs to the State Budget.</p>	<p>EA supports. Retail competition provides benefits to customers through new products and services and greater access to emerging technologies. The current CSO arrangement is a barrier to competition and innovation in regional QLD.</p>
<p>31 The Queensland Government should identify and prioritise measures that mitigate the financial impact of moving CSO payments from Ergon Energy (Retail) to Ergon Energy (Network).</p>	<p>EA supports, but notes that no single customer group or industry sector should be disadvantaged by changes to eligibility for CSO payments.</p>
<p>32 A date of no later than 1 July 2019 should be considered for the implementation of a network CSO and retail competition for regional Queensland.</p>	<p>EA supports defining an implementation date, however we would suggest an earlier start date could enable regional customers to benefit sooner.</p>
<p>33 Structural reform is required to the government-owned retailer Ergon Energy (Retail) prior to the implementation of regional competition to clearly separate the retail and monopoly elements of the Ergon Energy business.</p>	<p>EA supports on the basis that structural changes to Ergon Retail in advance of the network CSO and retail competition will benefit all QLD consumers.</p>
<p>34 Full structural separation of Ergon Energy (Retail) from the distribution businesses (including Energex) under the new merger model, including a new name for the retail business, should be considered in preference to ringfencing prior to the implementation of a</p>	<p>EA strongly supports on the basis that preparation of a fully separated Ergon Retail ahead of retail competition will drive better commercial and market outcomes for all stakeholders.</p>

network CSO.	
35 The 'non-reversion' policy should be removed from the Electricity Act 1994 and the restriction on Ergon Energy (Retail) competing to retain existing customers should be removed.	EA strongly supports as the non-reversion policy has no benefit, is not cost effective and is a further impediment to competition in regional Queensland. This should be removed immediately.
<b><i>Rural and regional industries</i></b>	
36 To help customers on transitional and obsolete tariffs determine if they would be better off on a cost reflective tariff, Ergon Energy should provide them with ongoing information comparing different tariff impacts so they can make informed choices over time.	No particular comment
37 The Queensland Government should ensure meters capable of measuring charges for the relevant tariff options are in place for customers on transitional and obsolete tariffs.	EA is supportive of this in principle as appropriate metering is essential to establishing cost-reflective retail pricing, which will benefit customers in the longer term. However, the decision is not straightforward in a rural and regional QLD where the market is not competitive and customers prices are far from being cost-reflective. Some of the questions and challenges are: what price should customers be charged for their meter and is this rolled out by a retail or distribution business, what are the implications of rolling out new meters via an incumbent party prior to the market being opened up to competition, and how will prices for customers on transitional and obsolete tariffs differ from other similar customers?
38 The Queensland Government should develop an industry assistance arrangement to help impacted businesses to adjust before 2020 by: identifying which customers on transitional and obsolete tariffs are at risk as a result of the shift to cost reflective electricity prices; providing financial grants to support customer investment in energy efficiency and demand management; and considering whether to provide additional support for particular customers separate to electricity prices.	No particular comment
39 The Queensland Government should develop eligibility criteria for access to industry assistance to target the most impacted customers and ensure taxpayer funding is spent efficiently and effectively.	No particular comment
40 To the extent our recommendations are accepted, the Queensland Government should ensure they are implemented so that customers have all of the necessary tools by no later than the start of the 2017–18 tariff year.	No particular comment

<b>Role of local service providers</b>	
41 The Queensland Government should identify, and where appropriate remove, state-based barriers to local options for third party supply of electricity, to support cost effective energy supply.	No particular comment
42 The Queensland Government should await the outcome of the AEMC's determination on a proposed national rule change to enable local generation network credits, rather than consider any state-specific arrangement.	EA strongly supports national energy policy development and views state-based deviations from AEMC rule changes as inefficient. EA has made a submission <sup>1</sup> to this particular rule change and believes that in its current form it does not meet the National Electricity Objective and that other alternatives should be explored instead.
43 The Queensland Government should encourage least-cost innovative solutions in isolated systems, with possible options including: providing incentives for Ergon Energy's new holding company to look at cheaper supply options; piloting a third party arrangement; and identifying the level of CSO subsidy for each isolated system so that third parties can assess whether their involvement is feasible.	No particular comment
<b>Electricity concessions framework</b>	
44 The Queensland Government should determine a clear policy intent for its concessions framework and assess the design of the framework against the principles of adequacy, equity, adaptability and transparency.	EA supports this recommendation.
45 The Queensland Government should: extend eligibility for the general Electricity Rebate to recipients of the Commonwealth Government, extend eligibility for the general Electricity Rebate to recipients of the Commonwealth Government Health Care Card as soon as practicable; and remove access to the general Electricity Rebate for Queensland Seniors Card holders. Consideration could be given to grandfathering eligibility for existing Queensland Seniors Card holders.	EA supports on the basis that the Commonwealth Health Care Card is used for eligibility in other state jurisdictions and this brings QLD more into line with the other states. Ideally, eligibility requirements and concessions will be standardised nationally.
46 The Queensland Government should maintain the current flat rate structure for the general Electricity Rebate.	EA believes that considerable benefits would arise if all jurisdictions harmonise concessions arrangements and we urge Qld to participate in any discussions.
47 Subject to the State's fiscal constraints, the Queensland Government should consider if there is a case for providing additional support	While this is a matter for government to decide, EA strongly recommends that this form of support is not provided via

<sup>1</sup> <http://www.aemc.gov.au/getattachment/54c75aeb-7d14-42e5-9162-3c1e07220a1b/Energy-Australia.aspx>

<p>for households with dependent children, as consumption increases with the number of people in a household.</p>	<p>rebates to customers on their energy bills as this would be unnecessarily costly to set up and administer. It would also cause further deviation in concessions arrangements between QLD and other states which also adds to costs.</p>
<p>48 The Queensland Government should undertake a review of the Medical Cooling and Heating Electricity Concession Scheme and the Electricity Life Support Rebate to consider if the level and delivery of this support is appropriate, and to consider their application and certification processes.</p>	<p>No particular comment</p>
<p>49 The Queensland Government should:</p> <ul style="list-style-type: none"> <li>- work to place a mandatory obligation on exempt sellers to apply for and administer electricity rebates and concessions for their customers — either through amended AER guidelines or changes to the Electricity Act;</li> <li>- work with Ergon Energy (Retail) and local indigenous networks to engage with local family groups to increase awareness and uptake of electricity rebates for eligible consumers in remote communities;</li> <li>- review the Home Energy Emergency Assistance Scheme to simplify application and lodgement, and undertake a communications campaign to increase awareness and uptake of the program; and</li> <li>- transfer policy ownership and responsibility for medical concessions to Queensland Health, given it determines clinical eligibility.</li> </ul>	<p>EA supports</p> <p>EA is not affected by this recommendation but supports in principal</p> <p>EA supports</p>
<p>50 The Queensland Government should seek COAG agreement for the administration of energy concessions to be part of the broader Australian Government social security system, to improve efficiency and equity.</p>	<p>EA supports. A move to nationally harmonised concession programs will minimise unnecessary and additional costs of duplicated and inconsistent concessions between state jurisdictions.</p>
<p><b><i>Impacts of network tariff reform and impediments to participation</i></b></p>	
<p>51 The Queensland Government should address the impacts of tariff reform for vulnerable customers by ensuring concessions are well-targeted (as per our recommendations in Chapter 12).</p>	<p>EA agrees but notes that education about the nature of tariff reform is a core component of the reform process. Tariff reform is expected to generate a net benefit over time so all customers should be aware of and able to take advantage of the opportunities that tariff reform presents (to reduce their bills by adjusting consumption profiles, for example).</p>
<p>52 The Queensland Government should improve the data set used to determine the impacts of network tariff reform on customers by ensuring: metering is in place to gather sufficient load profile data; representative</p>	<p>EA agrees but also notes that smart meters and other technologies will assist all customers to respond to more cost reflective tariffs in a manner that best reflects their needs and preferences.</p>

<p>samples of customers, including customers that are considered vulnerable, are included in Energex and Ergon Energy's upcoming tariff studies; and Government, customer representatives and distribution and retail businesses aggregate the necessary load profile and demographic data.</p>	
<p>53 The Queensland Government should establish a working group involving distribution and retail businesses and relevant customer representatives to: develop new tools to help customers understand the costs and benefits of demand tariffs; identify customers vulnerable to the impacts of tariff reform; and investigate the requirement for support.</p>	<p>EA supports</p>
<p>54 The Queensland Government should investigate: placing a requirement on landlords to meet certain standards of energy efficiency and demand management in their housing stock; and funding a complementary assistance program to subsidise the purchase price of energy and demand efficient appliances for vulnerable consumers that have accessed the Home Energy Emergency Assistance Scheme due to the breakdown of their existing appliances.</p>	<p>EA supports the Government investigating this, but would suggest the focus should be on incentivising landlords rather than placing requirements on them. However we note it may add to the cost of housing and energy. Tariff reform and competitive provision of metering and other technologies will encourage efficient consumption and investment decisions, supported by appropriate concessions framework.</p> <p>We support the government funding replacement energy efficient appliances for vulnerable customers.</p>

