

Media Release

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Gas rule change a significant win for consumers, ECA says

Energy Consumers Australia says today's final determination by the Australian Energy Market Commission (AEMC) will help limit rising bills for existing gas consumers and facilitate a more orderly transition as households and businesses begin to electrify their gas use.

The decision on the rule change request, proposed by Energy Consumers Australia, amends the National Gas Rules (NGRs). It means gas network distributors will charge new customers the full upfront cost of new connections, rather than the current system where these costs are socialised across existing gas customers.

Allowing low or no cost gas connections means consumers may not consider the full lifetime costs and risks of joining a declining gas network. Requiring upfront connection costs will enable consumers to assess the true costs of connecting to the gas network before deciding whether to proceed and also potentially consider if going all-electric instead best suits their circumstances.

"Australian household and small business gas use is expected to decline 72% by 2043 and be largely non-existent by 2050," Energy Consumers Australia CEO Dr Brendan French said. "Our research also shows about 1 in 3 homeowner households using mains gas say they will probably cancel their gas supply within the next 10 years.

"This transition will bring with it countless benefits as consumers who go all-electric will experience lower running costs, healthier homes and businesses.

"As more and more households leave the gas network, however, the network costs will be shared by an increasingly small pool of consumers. Those facing the greatest barriers to electrification, such as renters or low-income households, are likely to be the hardest hit.

"This rule change avoids adding additional costs to their bills, while also improving the regulation of gas networks in decline."

This is one of four rule change requests from Energy Consumers Australia aimed at updating the NGRs and reducing the financial impacts of the declining gas network of consumers. The other three are under consideration.

"Ensuring fair outcomes for all consumers within the future declining gas network is vital," Dr French said.
"All households and small businesses should pay a fair and affordable price for gas as long as they use it.

"We thank the AEMC for its consultation and final determination, which we believe will help consumers make informed and optimal decisions about their energy choices."

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About Energy Consumers Australia

<u>Energy Consumers Australia</u> is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.