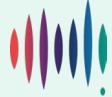




Submission on *'Establishing a regulatory framework for retail customer-initiated gas abolishment'* **(GRC0086)**

Submission the Australian Energy Market
Commission (AEMC)

DATE: 15/01/2026



Energy Consumers Australia is the national voice for household and small business energy consumers. We advocate for a fair, affordable, and reliable energy system—one that meets everyone's needs and leaves no one behind on the journey to net zero.

Energy Consumers Australia (ECA) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) draft determination and draft rule to establish a regulatory framework for retail customer-initiated gas abolishment.

We support the AEMC's objective of improving clarity, safety and fairness for households and small businesses seeking to cease gas use. We also agree that existing arrangements for gas disconnection and abolishment are fragmented, inconsistent across jurisdictions, and misaligned with a declining gas market. The draft determination makes important progress by introducing clearer definitions, information provision requirements, and a more transparent framework for customer-initiated abolishment services. ECA supports these reforms, including the AEMC's decision not to regulate disconnection services or introduce new exit charges. This appropriately recognises that consumers will continue to choose lower-cost exit options where they are available and that attempting to regulate around this behaviour would be complex, costly and ultimately borne by consumers.

However, while the draft determination recognises retail contract termination as a way to cease gas use, it provides limited clarity about what happens once a consumer takes this step, or those who have already terminated their retail contract but now wish to permanently abolish. The draft determination also does not clearly set out the information required to provide consumers about the implications of retail contract termination itself. This lack of clarity risks exposing consumers who intend to exit the gas market by terminating their retail contract to ongoing charges, uncertainty, or liability. ECA considers this an important gap in the proposed arrangements. Addressing it does not require the creation of new regulated services or additional consumer charges. Instead, it requires clearer rules and expectations, and information provision once a consumer has indicated they have ceased gas use.

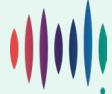
Additionally, ECA does not view consumer-initiated abolishment to be the primary mechanism through which long-term gas exit should be managed. Decisions about permanent removal of gas assets raise system-level safety and planning considerations best addressed through coordinated action by governments, regulators and distributors.

To strengthen the draft determination and better align it with real consumer behaviour, ECA makes two key recommendations:

1. **Clarify the implications of all gas exit pathways** so consumers can make more informed choices and understand clearly about what happens next. This is primarily discussed under Question 7.
2. **Remove barriers that require consumers to re-establish a gas retail contract solely in order to request permanent abolishment** so that consumers can pursue abolishment efficiently when they choose to. We provide this under greater detail under Question 6.

These targeted refinements would improve consumer certainty, reduce inefficient outcomes, and support a least-cost transition as gas demand continues to decline.

Thank you for considering this submission. If you have any questions, please contact Claire Ohk at Claire.Ohk@energyconsumersaustralia.com.au.



The draft determination needs to clearly protect consumers who are quiet quitting

Households and small businesses are increasingly choosing to go all-electric for a range of reasons, including to realise savings by permanently avoiding gas supply charges. Consumers commonly achieve this by terminating their gas retail contract after ceasing gas use, without requesting a formal disconnection or abolishment. This pathway is often referred to as “quiet quitting.”

The draft determination recognises retail contract termination as one of three ways in which a customer may cease gas use.¹ ECA supports the recognition of this pathway as it reflects observed consumer behaviour. The steadily increasing number of dormant connections indicates that this approach is already common and can potentially increase as electrification accelerates.²

From a consumer outcomes perspective, it is important to preserve retail contract termination as a viable exit pathway because it allows households and small businesses to easily stop paying for gas services they no longer use without being required to request works or incur additional costs where no clear need has been identified.³ Even with improved information about disconnection and abolishment, many consumers are likely to continue choosing retail contract termination, particularly where their immediate objective is to cease ongoing gas charges rather than to make decisions about physical network assets or future safety management. At the same time, some consumers may not actively choose between disconnection or abolishment because they are unaware of the full range of options available to them or do not understand the implications of each pathway. The draft rule appropriately seeks to address this information gap by improving consumer awareness and understanding, but better information should support informed choice rather than assume a shift away from retail contract termination in all cases.

A separate and unresolved information gap relates specifically to the consequences of retail contract termination itself. This is illustrated by Figure 3.3 in the draft determination which suggests that following retail contract termination the retailer remains liable for ongoing network charges and may choose to request a disconnection at its own cost. Consumers may be unaware of these matters including the ability for the retailer to disconnect supply, and the consequences for the consumer if they use gas following contract termination (which may result in new deemed contracts arising) or if they wish to re-connect supply after it has been disconnected at the retailer’s request.

For this reason, we support the AEMC’s decision not to regulate disconnection services. Attempting to regulate may likely add complexity and costs, while the consumer benefits remain unclear. However, if retail contract termination is to remain a legitimate exit pathway, the framework must be clearer about how responsibilities and costs are allocated once the retail contract has ended and what consumers should be informed of before taking that step.

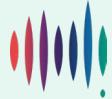
Responsibility for managing residual gas safety risks should not rest primarily with individual consumers

Retail contract termination does not, of itself, involve any physical works on the gas connection. In many cases, however, termination is followed by the retailer requesting a disconnection to avoid ongoing supply charges, meaning gas is no longer able to flow to the premises. Where this occurs, the practical outcome for the premises may be similar to a formal disconnection service, even though the consumer has not actively requested or paid for physical works. As a result, retail contract termination can contribute to an increasing number of dormant gas connections over time.

¹ AEMC, Draft determination, p.52

² AER Gas quarterly disconnection data, November 2025

³ [Gas Companies Want To Charge You To Quit Gas: How To Avoid \\$1000 Fees](#)



This raises questions that extend beyond individual consumer choices and into how gas infrastructure is managed as overall gas demand declines. The AEMC has identified this and that growth in dormant gas connections may raise safety risks over time and may require changes to jurisdictional safety regulations and instruments.⁴

Consistent with the AEMC's observations, we agree that the issues arising from increasing dormant connections, including safety management cannot be fully addressed through the national gas framework alone. Placing primary responsibility on individual consumers risks fragmented outcomes, inefficient early investment, and inequitable cost burdens, particularly where broader network-level solutions may ultimately be required.

ECA therefore welcomes AEMC's approach in the draft determination of explicitly identifying issues that sit beyond the national gas framework. We support the AEMC drawing attention to these matters and encouraging jurisdictions to consider whether additional regulatory instruments, funding mechanisms or planning processes are required to enable an orderly, least-cost transition away from gas.

This consultation highlights the need to progress planning and strategic decommissioning discussions

ECA has previously highlighted that individual disconnection or abolishment decisions, taken in isolation, risk increasing costs for remaining consumers and locking in inefficient investment where gas demand is declining.⁵ Over time, the most efficient and equitable approach to managing gas exit is likely to involve coordinated, area-based decommissioning, rather than requiring individual households and small businesses to make permanent decisions about network assets without visibility of future plans or system-level risks.

There is therefore a clear need for jurisdictional planning to consider when and where coordinated decommissioning is appropriate. This includes consideration of whether targeted financial support or subsidisation of abolishment costs is warranted as part of electrification policy implementation, especially as abolishment charges become more explicitly cost-reflective under the proposed framework.

ECA considers the AEMC is well placed, through the final determination and related processes including the Gas Networks in Transition review, to highlight these issues and signal the importance of clearer planning expectations, responsibility allocation and minimum safety standards as gas demand declines. Drawing these links helps ensure that consumer-initiated exit pathways operate alongside, rather than as a substitute for, coordinated transition planning led by governments, regulators and distributors.

⁴ AEMC, Draft determination, p.60

⁵ ECA, Gas distribution networks: Connection and permanent abolishment charges, submission to AEMC Consultation Paper, July 2025, p.9



Draft rule determination questions

Question 1: What are the potential costs and benefits of employing the new framework for customer-initiated abolishment services?

Do you agree with our proposal to use a similar framework to Part 12A of the NGR for customer-initiated abolishment services, including the requirement for distributors to develop model standing offers for the Australian Energy Regulator's (AER) approval? If not, please explain why not and set out what approach you think we should employ and why.

What do you think the potential costs and benefits would be of:

- (a) employing the new framework outlined in Chapter 3 including model standing offers?
- (b) employing any other approach you have suggested we consider?

ECA understands the AEMC's decision to adopt a model standing offer framework for customer-initiated abolishment services, broadly aligned with Part 12A of the National Gas Rules. We recognise that this approach is intended to improve transparency and regulatory oversight of abolishment charges, reflect the efficient cost of providing abolishment services, and allow distributors to operate within differing jurisdictional safety frameworks. For consumers who actively choose to abolish their gas connection, ECA supports charges that reflect the minimum works necessary to meet applicable safety requirements.

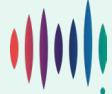
However, ECA does not consider that the broader objective of the final determination should be to incentivise consumers to pursue abolishment, particularly in the absence of any safety risks. Relying on individual, consumer-led abolishment is unlikely to be an efficient or equitable mechanism for managing gas exit over time, particularly where future network decommissioning or area-based approaches may render early individual action redundant. Decisions about whether and when permanent removal of gas infrastructure is necessary involve assessments of safety risk, future network use and system efficiency that individual consumers should not be expected to make. The draft determination itself reflects this noting the views on the safety implications of dormant connections vary across jurisdictions and that responsibility for assessing and managing any such risk sits with jurisdictional safety regulators not the national gas framework.⁶

In this context, the key issue is not only whether abolishment charges are efficient and equitable in isolation, but whether the resulting price signals and the processes used to inform consumers about the implications of their choice are clear. For instance, if an abolishment pathway is perceived as unaffordable, uncertain or administratively complex, consumers are more likely to cease gas use by terminating their retail contract without pursuing further services. In the absence of clear jurisdictional advice that additional safety action is required, this may also be the financially preferable option for consumers. The Commission recognises that retail contract termination will continue, and because of that, regulating disconnection services would be costly and complex to implement.⁷ This behaviour is not problematic in itself. However, it underscores the importance of ensuring consumers receive clear, balanced information about retail contract termination, including its financial effects and how it compares with disconnection and abolishment, so that choices are made on the basis of understanding rather than assumption or incomplete information.

We discuss this further for Recommendation 1 under Question 7 .

⁶ AEMC, Draft determination, p.1

⁷ AEMC, Draft determination, p.10



Question 2: Should the rules require disconnection services to be a reference service?

Do you think the NGR should require disconnection services to be a reference service, or is it sufficient to continue to rely on the reference service framework in rule 47A?

If changes were to be made to the NGR to mandate that disconnection services be a reference service, what do you think the costs, benefits and risks of doing so would be?

ECA does not consider it necessary for the National Gas Rules to mandate that disconnection services be specified as reference services. The existing framework under rule 47A provides sufficient regulatory oversight and flexibility to address consumer and system outcomes.

In practice, distributors already offer disconnection services as reference services. Under rule 47A, the AER retains the power to require such services to be specified as reference services through its approval, rejection, or substitution of reference service proposals, providing sufficient regulatory oversight without hard wiring this requirement into the rules.⁸

From a consumer outcomes perspective, mandating disconnection services as reference services would not materially improve clarity, affordability, or safety outcomes compared with the current framework. The key consumer issues in this review relate less to the formal classification of disconnection services, and more to whether exit pathways are clearly recognised, consistently communicated, and deliver definitive billing outcomes as gas use declines.

There is also a risk that mandating disconnection services as reference services could unnecessarily reduce regulatory flexibility at a time when more strategic, coordinated approaches to network management and safety may be required. As the volume and nature of disconnections and abolishment change over time, distributors and regulators may need discretion to adapt service offerings and cost recovery arrangements in response to evolving transition, safety, and system planning considerations.

Question 3: Should the rules require the AER to consult on model standing offers?

Do you think the rules should require the AER to consult with stakeholders when deciding whether to approve model standing offers, or do you think this should be left to the discretion of the AER?

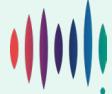
If the new framework was to be amended to provide for stakeholder consultation on model standing offers, do you think an equivalent change should be made in Part 12A to require consultation on model standing offers for connection services?

ECA supports explicit provision for stakeholder consultation on model standing offers but not necessarily mandatory consultation in all cases as it should be proportionate and discretionary for the AER to determine the appropriate form and depth of engagement based on materiality and consumer impact.

If consultation is provided for model standing offers under the new abolishment framework, ECA considers there is merit in adopting a consistent approach in Part 12A for connection services.

Considering model standing offers for connections and abolishment together could support a more coherent, system-level view of gas demand, entry and exit, and the pace of electrification.

⁸ NGR Rule 47A; (1), (4), (5), (14)-(15)



Question 4: Are there any other types of directly attributable costs that we need to make provision for?

Are there any additional types of directly attributable costs that you consider should be included in the abolition charges criteria? If so, please explain what they are and why they should be included.

ECA does not consider it necessary to expand the definition of directly attributable costs beyond those set out in the draft abolition charging criteria. We consider that abolition charges should be strictly limited to the minimum works necessary to safely discontinue the supply of gas at their premises. Expanding the scope of directly attributable costs beyond this risks increasing charges without delivering commensurate safety benefits for consumers.

From a consumer perspective, the critical issue is not whether additional cost categories are included, but whether the framework supports efficient, safe outcomes over time. Where necessary, this should be revisited through broader gas network planning and electricity system planning processes to ensure abolition approaches remain efficient, coordinated and aligned with the energy transition.

Question 5: Is the application of the new framework to scheme and nominated non-scheme pipelines in all jurisdictions (except Western Australia) appropriate?

Do you agree that it is not appropriate to apply the new retail customer-initiated abolition service framework in Western Australia? If not, please explain why you consider scheme and nominated non-scheme distribution networks in Western Australia should be subject to the new framework.

Do you agree that the new framework should apply to distributors in jurisdictions that have not adopted NECF (e.g. Victoria)? If not, please set out what your concerns are with this application.

Scheme and nominated non-scheme pipelines

ECA supports applying the new customer-initiated abolition framework to retail customers across scheme and nominated non-scheme gas distribution networks, subject to appropriate jurisdictional flexibility. While non-scheme networks are typically subject to lighter regulation due to lower market power, customer-initiated exit raises distinct risks compared with connection services. Without clear and consistent arrangements, households and small businesses may face uncertainty about their obligations, residual charges, or safety outcomes when exiting the gas network. Extending the framework to these networks would help mitigate these risks and support more consistent consumer outcomes.

Western Australia

ECA agrees that it is reasonable not to apply the new framework in Western Australia at this time, given that a broadly similar approach already operates under existing arrangements. However, we consider it important that the AER monitor the retail interaction and information provision requirements in WA to ensure consumers receive clear, safe and consistent pathways when ceasing gas use particularly as electrification increases.

Victoria

It is currently unclear how the proposed draft determination and rules would interact with the existing Victorian framework for abolition and disconnection in the Gas Distribution Code of Practice. However, ECA recommends that the framework apply to Victoria in a way that complements rather than disrupts by making arrangements clearer, more consistent treatment of customer-initiated disconnection and abolition. The framework should support clearer and more consistent treatment of customer-initiated disconnection and abolition, while allowing the state to continue pursuing its established gas transition and electrification policies.



Question 6: Are the proposed distributor information provisions likely to achieve their stated objective?

Do you think the proposed distributor information provisions would help support more informed decision-making by retail customers? If not, please explain why not and what additional support you think is required.

Do distributors consider the proposed information provisions to be workable, or are there material costs and/or implementation challenges that we should be aware of in relation to this requirement?

If distributors think there are material costs and/or challenges associated with this requirement, are there any ways that you think these could be reduced, while still giving effect to the intent of the draft rule?

ECA supports the introduction of new distributor information provisions and agrees that clearer, more accessible information from distributors will help address existing confusion about the difference between disconnection and abolishment services. However, on their own, the proposed distributor information provisions are unlikely to fully achieve their stated objective.

For instance, the draft determination does not specify how distributors should frame information when engaging directly with customers, for example where a retailer refers a customer to a distributor for further detail. While distributors are well placed to explain the technical aspects of disconnection and abolishment services, the draft rules focus on website publication requirements and do not address how information is conveyed in direct interactions.⁹ Given the AEMC's observation that views on the safety risks associated with dormant connections vary across jurisdictions, ECA considers it important that distributor information provision remains factual and neutral, and does not encourage consumers to pursue abolishment unless this is driven by the customer's request or supported by relevant safety advice. We address this under Recommendation 1 in ensuring that consumers do not feel obligated to pursue abolishment.

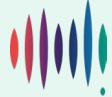
Additionally, a gap remains for consumers who have already terminated their gas retail contract and later wish to permanently exit the gas network by abolishing the connection. These consumers are no longer in an active retail relationship and may not realise that, under current arrangements, they are required to re-establish a gas retail account solely in order to request an abolishment service, despite having no intention to resume gas use. This is inefficient, creates unnecessary costs and administrative burden for both consumers and retailers.

Recommendation 2: Remove unnecessary barriers to permanent exit after quiet quitting

ECA therefore encourages the AEMC to consider alternative low-friction mechanisms that allow consumers to request abolishment services via an existing electricity retail account or a distributor-managed request process, with costs recovered through established billing channels.

If dormant connections are considered unsafe, the AEMC should remove barriers and support safer and more orderly management of dormant connections.

⁹ AEMC, Draft determination, p.54



Question 7: Are the proposed retailer information provisions likely to achieve their stated objective?

Do you think the proposed retailer information provisions would help support more informed decision-making by retail customers? If not, please explain why not and what additional support you think is required.

Do retailers consider the proposed information provisions to be workable, or are there material costs and/or implementation challenges that we should be aware of in relation to this requirement?

If retailers think there are material costs and/or challenges associated with this requirement, are there any ways that you think these could be reduced, while still giving effect to the intent of the draft rule?

ECA supports the introduction of retailer information provisions and agrees that retailers, as the primary point of contact for most households, have an important role in supporting more informed decision-making when customers are considering ceasing gas use. Requiring retailers to provide general information and refer to customers to distributors is a meaningful improvement and will help address some of the confusion identified by the AEMC.

However, the proposed provisions do not fully reflect how consumers exit the gas market. In particular, they do not clearly require retailers or distributors to explain retail contract termination and is itself an option to cease gas costs. Nor do the draft rules require retailers to clearly explain what consumers should expect in relation to final billing, ongoing charges or liability once they have contacted their retailer to cease gas use, including where the consumer's initial action is retail contract termination. This omission is significant given that retail contract termination is often the first and only step consumers take when they decide to stop using gas. Without clear information about how this pathway compares to disconnection or abolition, consumers may make decisions without fully understanding the implications of each option.

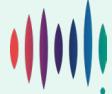
To support informed decision making at the point consumers actually act, retailers and distributors should also be required to clearly explain the practical consequences of retail contract termination. In particular, where a customer contacts a retailer to terminate their gas retail contract, retailers should explain that closing the retail account alone does not abolish the gas connection. Retailers should also explain that if a consumer later chooses to pursue abolition, this may require re-establishing a retail account and may involve additional administrative steps and costs, without implying that abolition is required or preferable.

More broadly, ECA considers that the proposed information provisions would better achieve their stated objective if they required retailers to clearly explain final billing outcomes, supply charges and liability implications across all three exit pathways: retail contract termination, disconnection and abolition. This includes explaining when supply charges cease, whether charges continue to accrue while disconnection or abolition is pending, and how account status and sequencing affect consumer liability.

As discussed under Question 1, consumers need clarity about billing, charges and liability across all exit pathways. Without clear information about the implications of each pathway, consumers may make decisions based on incomplete understanding rather than a clear assessment of costs, responsibilities and future options.

Recommendation 1: Clarify the implications of all gas exit pathways

To give effect to the intent of the draft rule, ECA recommends that information provision requirements under rule 69A and proposed rule 120A be strengthened so that consumers are clearly informed of all



legitimate pathways to ceasing gas use, as well as implications of it such as billing and liability, and safety where relevant.

ECA recommends that retailers and distributors should be required to provide clear and consistent information across all three gas exit pathways information provisions under 69A to have better guidance on final billing across all three exit pathways; retail contract termination, disconnection, and abolishment.

Retailers should be required to clearly explain:

- when supply charges cease following retail contract termination, disconnection or an abolishment request
- whether supply charges continue to accrue while waiting for disconnection or abolishment to occur
- how timing, sequencing and account status affect costs and liability
- the consequences if gas is consumed at the premises after retail contract termination, including the circumstances in which a deemed arrangement may arise
- that there is no obligation to pursue abolishment unless required for safety or other clearly identified reasons
- any other implications of retail contract termination, disconnection or an abolishment that would support informed decision making for the consumer.

Distributors should be required to have similar information provision requirements to what is proposed in 120A to apply when customers contact for further information, including the additional recommendations we have set previously to ensure consumers do not feel obligated to pursue abolishment.

ECA also encourages the AEMC to consider, through the final determination, whether jurisdictions are better placed to provide consumers more neutral and helpful information on gas exit options, particularly where safety responsibilities sit outside the national framework.

Providing more clarity would support genuinely informed consumer decision-making, reduce confusion about exit options, and ensure consumers understand their financial exposure and rights if outcomes do not align with what they were advised, including when escalation to an energy ombudsman may be appropriate.

Question 8: Are retailers or distributors likely to face any impediments in implementing the proposed information provisions within the proposed timeframe?

Do retailers or distributors consider there to be any practical impediments to implementing the proposed information provisions set out in Chapter 4 within six months of the final rules being made (if made)?

ECA does not provide a response to this question.

[End of submission]

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small business energy consumers**



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