

23 July 2020

Mr Mitchell Shannon  
Senior Advisor  
Australian Energy market Commission

Lodged online

## **NATIONAL ELECTRICITY AMENDMENT (DEFERRAL OF NETWORK CHARGES) RULE 2020**

Dear Mr Shannon,

Energy Consumers Australia is the national voice for residential and small business energy consumers. Established by the Council of Australian Governments (COAG) Energy Council in 2015, our objective is to promote the long-term interests of energy consumers with respect to price, quality, reliability, safety, and security of supply.

On 26 June 2020 we were pleased to make a submission to the Australian Energy Market Commission's (AEMC) consultation paper on the Australian Energy Regulator's (AER) proposal to change the rules to allow network charges to be deferred. We appreciate the opportunity to make this further submission in response to the AEMC's Directions Paper.

Energy Consumers Australia supports the Commission's policy position on retailer eligibility by limiting access to financial support provided by the deferral mechanism through the introduction of retailer eligibility rules. We support the Commission's concerns of allowing Retailers of Last Resort (RoLR) and government retailers to commercially benefit from the regulatory change without any demonstrated immediate financial need for this support.

We agree with the AEMC that RoLR retailers and government owned retailers are in a strong financial position and/or able to access alternative sources of credit to alleviate any cash flow issues they are currently experiencing and should be excluded from the rule change.

Energy Consumers Australia recognises that the deferral of bill payments introduces risks for consumers as they accumulate debt which becomes harder to repay. In the current climate this risk is exacerbated if a consumer is also accruing debt in other areas. While this is outside of the scope of the current rule change proposal, this issue will need to be addressed. We note that the Australian Competition and Consumer Commission has recently introduced temporary rules relating to debt collection guidelines which may help in part.

We would like to repeat the comments that we made in our 26 June 2020 letter that a co-ordinated and well-funded public awareness campaign will be needed to ensure that consumers know that assistance is available and that they know how to get it. ECA published the results of our recent [Supplementary COVID-19 study](#), in which half of all consumers who had reached out for support from their energy company report not getting useful help.



Thank you for the opportunity to make this submission. Please contact Jacqueline Crawshaw, Acting Director Advocacy and Communications [Jacqueline.crawshaw@energyconsumersaustralia.com.au](mailto:Jacqueline.crawshaw@energyconsumersaustralia.com.au) if you would like to discuss it further.

Yours sincerely,

Lynne Gallagher  
Chief Executive Officer (Interim)  
Energy Consumers Australia