



3 April 2020

Director
Electricity Markets Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Via email: ElectricityMonitoring@acc.gov.au

Dear Director

ACCC Reference 64737 – Draft Guidelines on Part XICA – Prohibited conduct in the energy market.

Thank you for the opportunity to comment on the *Draft Guidelines on Part XICA – Prohibited conduct in the energy market*. The Draft Guidelines contain the ACCC's approach to the enforcement of the recently adopted *Treasury Laws Amendment (Prohibiting Energy Market Misconduct) Act 2019*, which introduces new prohibitions into the *Competition and Consumer Act 2010*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers. Our comments are informed by our investigations into these complaints, and through our community outreach and stakeholder engagement activities.

Over the last few years there have been a number of Inquiries and Reports into the energy market driven by a high level of community concern over rapidly increasing prices. The Final Report of the ACCC Inquiry into Retail Electricity Pricing stated:

Removing unnecessary costs for customers is a vital economic reform with at least two important economic benefits. First, it improves equity as low income households pay a much higher share of disposable income on electricity. They should not be paying more for electricity because of poor past decisions or inappropriate market behaviour.¹

While not making a detailed submission, I note that the proposed guideline provides clear direction as to what is inappropriate market behaviour. Further, the requirement that retailers must make reasonable adjustments to prices to reflect sustained and substantial reductions in the underlying

¹Page iv Executive Summary Retail Electricity Pricing Inquiry—Final Report, ACCC, June 2018



cost of procuring energy will contribute to reducing the end cost and therefore increasing energy affordability.

This guideline, along with a number of other key recommendations of the ACCC's inquiry should therefore make a significant difference in business behaviour in the energy market to the benefit of consumers, particularly those in low income households.

Accordingly, EWON strong supports the proposed guideline.

If you would like to discuss this matter further, please contact me or Rory Campbell, Manager Policy and Research, on (02) 8218 5266.

Yours sincerely

A handwritten signature in black ink that reads "Janine Young".

Janine Young
Ombudsman
Energy & Water Ombudsman NSW