



11 September 2014

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Lodged online: Reference RRC0001

**NATIONAL ENERGY RETAIL AMENDMENT (Retailer price variations in market retail contracts) RULE 2014 – DRAFT RULE DETERMINATION**

Alinta Energy Retail Sales Pty Ltd (**Alinta Energy**) welcomes the opportunity to comment on the Draft Rule Determination "*National Energy Retail Amendment (Retailer price variations in market retail contracts) Rule 2014*" (**Draft Rule Determination**) published by the Australian Energy Market Commission (**AEMC**).

Alinta Energy is both a generator and retailer of electricity and gas in Western Australia and the National Energy Market. It has over 2500MW of generation facilities and in excess of 750,000 retail customers, including around 150,000 customers in Victoria and South Australia.

Alinta Energy does not support the AEMC's proposed rule change as outlined in the Draft Rule Determination. Alinta Energy is of the view that the proposed rule change outlined in the Draft Rule Determination falls outside the scope of the original rule change request and that it is a disproportionate response to a separately perceived issue, identified by the AEMC.

The Rule Change Request submitted by Consumer Utilities Advocacy Centre (**CUAC**) and Consumer Action Law Centre (**CALC**) sought to prohibit retailers having the ability to vary prices of a fixed term contract or during a fixed benefit period in market retail contracts (**Rule Change Request**).

In reviewing the proposed rule change, the AEMC undertook stakeholder research which found that some consumers may be entering into contracts unaware of the way prices may vary<sup>1</sup>. In response, the AEMC has made a Draft Rule Determination with the objective to improve pre-contractual information provided to consumers with respect to information on price variations in all market retail contracts.

---

<sup>1</sup> AEMC Draft Rule Determination National Energy Retail Amendment (Retailer price variations in market retail contracts) Rule 2014, p.1

Whilst Alinta Energy supports the proposition that consumers should be fully informed in a transparent manner as to all pertinent conditions and terms of their product offering, the perceived issue identified as a result of the research conducted by the AEMC, arguably falls outside the scope of the Rule Change Request. We therefore question the appropriateness of the Draft Rule Determination being made via the CUAC and CALC Rule Change Request given it is provided as a solution to an issue not directly related to the Rule Change Request for which the review and consultation was being conducted.

As stated previously in Alinta Energy's submission to the Consultation Paper, retailers have obligations to disclose product information in a clear and transparent manner. This includes details as to applicable tariffs and charges and how and when they may be varied. This information is required to be specifically articulated in the contract terms and conditions, and contained in the regulated mandatory collateral provided to consumers at the time of or immediately after entering into a market retail contract. These requirements apply to both standard and market retail energy contracts. On receipt of this information the consumer then has the ability to consider the product offering in detail and may elect to cancel the contract during the cooling off period.

In conclusion Alinta Energy does not support the proposed rule changes as outlined in the Draft Determination. We are of the view that the current market design and consumer protections provide sufficient consumer protections for all energy consumers. Alinta Energy remains concerned at the progression of the Rule Change Request in the absence of a demonstrated market failure and believe that the Draft Determination falls outside the scope of the Rule Change Request. Further, it is our view the Draft Determination is unlikely to promote the long term interests of consumers as required under the National Energy Retail Objectives.

Should you have any questions or wish to discuss our submission further, Lauren Zambotti may be contacted on (02) 9372 2667 or via email: [lauren.zambotti@alintaenergy.com.au](mailto:lauren.zambotti@alintaenergy.com.au).

Yours sincerely



**Shaun Ruddy**

Manager National Retail Regulation