



ENERGY & WATER
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[REDACTED]
Director
Energy Policy and Projects
Department for Energy and Mining
GPO Box 320
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Emailed to [REDACTED]

10 February 2022

Dear [REDACTED],

Submission to the Department for Energy and Mining (“the Department”) on the Review of the South Australian Electricity Licensing Framework Consultation Paper

The Energy and Water Ombudsman (SA) Limited (“Energy & Water Ombudsman SA”) welcomes the opportunity to comment on the Electricity Licensing Framework Review.

Energy & Water Ombudsman SA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

Energy & Water Ombudsman SA welcomes the new energy innovation which is occurring in the electricity industry. We share the view “that Distributed Energy Resources (DER) and associated business models, such as Virtual Power Plants (VPPs) and Electric Vehicle (EV) charging networks, are expected to grow and evolve in coming years and subsequently have a significant impact on our future electricity supply and demand balance.”¹ We also believe that it is critical for the current framework of consumer protections to be retained as the industry evolves.

Energy & Water Ombudsman SA was established in 2000 in the context of the division of electricity assets and related sales and leasing arrangements. The Electricity Act 1996 required the electricity industry to be members of an ‘approved scheme’. The South Australian Independent Industry Regulator, now Essential Services Commission (of South Australia), approved the Electricity Industry Ombudsman (SA) Limited as the approved scheme in 1999. The Scheme was set up by the Founding Members, ETSA Power (now AGL South Australia), ETSA Utilities (now SA Power Networks) and ElectraNet in October 1999.

¹ DEM (2021) Review of the South Australian Electricity Licensing Framework Consultation Paper at https://yoursay.sa.gov.au/review-electricity-licensing-framework?utm_source=Licensing+Review+YourSay&utm_campaign=408b6fd236-EMAIL_CAMPAIGN_2020_02_17_02_47_COPY_02&utm_medium=email&utm_term=0_97b66a07e6-408b6fd236-576427646

Energy and water services are important to all stakeholders because they are essential community services; they are not considered optional. That is why independent ombudsman schemes exist across Australia to deal with issues that arise between service providers and customers. Unlike some other dispute resolution bodies, the ombudsman does at the end of an investigation have binding powers negating the need for expensive and drawn out processes to resolve disputes for consumers.

Our role is to facilitate the prompt resolution of complaints and disputes between the consumers of energy, water and sewerage services and the providers of those services (our Members) by providing a free, independent, accessible, fair and informal service to consumers. We are also recognised as an external dispute resolution scheme (EDR) to handle privacy-related complaints under the Privacy Act 1988.

The Essential Services Commission (of South Australia) commented on the role of Energy & Water Ombudsman SA (“EWOSA”) and independent dispute resolution in its Small-scale Networks Inquiry:

“This Inquiry’s Terms of Reference include the requirement for the Commission to analyse consumer protections associated with the delivery of services, with the objective of ensuring that any regulatory arrangements it administers are targeted, efficient and appropriate. Given the essential nature of the services, the Commission considers it important for customers to have access to an external complaint handling mechanism in a consistent manner.

The availability of an independent dispute resolution body is important as it ensures fair practice and effective dispute resolution between service providers and their customers. By being independent of the service provider, the dispute resolution body can enable a just resolution while maintaining good working relationships with both parties.

Accordingly, regardless of whether further changes are made to the small-scale regulatory regime, the Commission proposes for consultation that all small-scale network service providers become a member of the EWOSA scheme. This would provide customers with a single transparent avenue through which to channel complaints that cannot be resolved directly with the service provider.

Requiring all small-scale network service providers to have EWOSA membership will also provide a consistent and reliable source of complaint information for the Commission.

Regarding service providers, EWOSA membership would deliver benefits by dealing with an experienced and expert body with an understanding of what service providers should be able to provide. EWOSA should enable the efficient management of complaints, while offering a support function to advise service providers on how they best meet customer expectations. In the case of a competent operator, the cost implications of this scheme are expected to be small compared with the benefits. In the case where a specific small-scale service provider is not appropriately addressing customer complaints and EWOSA has to investigate, the small-scale service provider bears EWOSA’s costs. This should provide some incentive for any small-scale service provider to avoid the need for EWOSA to investigate complaints against it, thereby placing emphasis on complaint resolution with the small-scale service provider.”²

² ESCOSA (2019) Small-scale Networks Inquiry Framework & Approach at <https://www.escosa.sa.gov.au/projects-and-publications/projects/inquiries/inquiry-into-regulatory->

In summary, in parallel with the case of small-scale networks, as the electricity market continues to evolve, it is vital for consumers to have an avenue for their complex problems to be resolved. DER and the associated business models will require a pathway for consumers to access independent dispute resolution and this will help ensure the regulatory framework remains targeted, efficient and appropriate.

Thank you for consideration of this submission. Should you require further information or have any enquiries in relation to this submission, please contact [REDACTED] via [REDACTED] or phone [REDACTED].

Yours sincerely,

[REDACTED]

[REDACTED]

Policy and Communications Lead
Energy and Water Ombudsman SA