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Department of Climate Change, Energy, the Environment and Water
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By email PEMMReview@dcceew.gov.au

28 January 2025

Dear Sir/Madam,

**Submission to the Dept. of Climate Change, Energy, the Environment and Water:
Review of the Effectiveness of the Prohibiting Energy Market Misconduct Act 2019**

The Energy and Water Ombudsman (SA) Limited (EWOSA) welcomes the opportunity to submit to the Commonwealth Department of Climate Change, Energy, the Environment and Water on the Consultation Paper on the Review of the Effectiveness of the *Prohibiting Energy Market Misconduct (PEMM) Act 2019*.

EWOSA is the 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.

Our comments primarily relate to the questions in the Consultation Paper on the Australian Competition and Consumer Commission (ACCC) National Electricity Market (NEM) Inquiry function.

Regarding the assessment framework, we consider that an additional market performance criteria could be added: customer protections. In particular, the review's assessment could consider whether the impact of the PEMM Act has eroded or improved customer outcomes and associated protections.

Question 24 – Does the NEM Inquiry support improved outcomes for consumers?

EWOSA believes that the NEM Inquiry supports improved outcomes for consumers.

Many of the NEM Inquiry reports have analysed the retail electricity market and assessed the outcomes of the recommendations made by the ACCC in the Retail Electricity Pricing Inquiry report of July 2018. This analysis and assessment has been necessary to ensure that the intended outcomes for consumers have been achieved and where they haven't, what further analysis and recommendations are necessary to lead to improved outcomes for consumers.

Recent reports have also provided recommendations for improving customer protections.

The December 2023 ACCC NEM Inquiry report made recommendations about:

- reducing the number of customers on legacy plans with large conditional discounts
- the rules around price changes and their impact on price certainty
- the impact of ongoing contracts on consumer behaviour.

Since that report, rule change requests have been submitted on these issues and the AEMC, at the time of writing, had sought submissions on their “Delivering more protections for energy consumers: changes to retail energy contracts” Consultation Paper.

Another important recommendation, this one from the June 2024 ACCC NEM Inquiry report, was:

“Australian, state and territory governments should improve the visibility of the size and outcomes of the embedded network market. This work should cover embedded networks serviced by both authorised retailers and exempt sellers (including those served by those with ‘deemed exemptions’). This could include steps to provide transparency of:

(a) the number of customers in embedded networks

(b) the prices for customers within these networks, including the charges they pay for all essential services (including electricity, gas, hot water, heating, cooling and telecommunications).”

The implementation of this recommendation would substantially improve knowledge about embedded network customers and potentially enable the improvement of protections for such customers.

Question 25 – Does the NEM Inquiry provide value beyond supporting monitoring and compliance with the PEMM Act provisions? If so, how?

EWOSA believes that the NEM Inquiry provides value beyond supporting monitoring and compliance with the PEMM Act provisions. Our response to the previous question provides the main reason for this view.

More generally, the NEM Inquiry also provides valuable information for stakeholders about the performance and functioning of the electricity market, including for analysis and advocacy purposes, as well as informing policy debates and decisions.

Thank you for consideration of this submission. Should you require further information or have any enquiries regarding this submission, please contact me at antony.clarke@ewosa.com.au or on (08) 8216 1861.

Yours sincerely



Antony Clarke
Policy and Governance Manager