

8 September 2015

Australian Energy Market Commission
PO Box A2449
Sydney South, NSW 1235

AEMC Multiple Trading Relationships Consultation Paper

The Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to provide input into the AEMC's consultation paper on Multiple Trading Relationships (**MTR**) in the National Electricity Market.

The transforming electricity market will create myriad opportunities for people to personalise their energy supply and demand options to best meet their needs and preferences. Many people can and will find attractive products and services in this new market, and profit from lower costs, higher utility and services that better meet their needs.

There are, however, risks with the transformation of the energy market. As products become more complex and more personalised, the potential for consumer detriment increases. For example, where there are multiple trading relationships the potential for blame-shifting between Financially Responsible Market Participants (**FRMPs**) in the event of a dispute or disconnection is high in the absence of clear roles and responsibilities of parties.

The new market relies on confident and informed consumer participation to deliver the benefits of competition. To deliver the 'long-term interest of consumers' it is critical that consumers are able to find products and services that meet their expectations, deliver reliable energy and provide the critical consumer protections that underpin trust. The key question is therefore: **how does the AEMC plan to foster good consumer outcomes and build consumer trust through this rule change?**

We define good consumer outcomes as:

- Safe and fair products and services
- Useable information which is simple, clear and consistent
- Easy and equitable access to products and services
- Efficiency benefitting consumers
- Clear dispute resolution processes.

Establishing multiple trading relationships at a single premises is inherently complex. While we anticipate that only a small number of consumers will take up this relatively expensive option, the AEMC must nonetheless take great care to ensure that the rules for multiple trading relationships provide transparency for the consumer, to assist informed decision-making, and ensure seamless consumer protections and dispute resolution processes.

In particular, we believe that the AEMC must ensure:

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- Any provider of electricity to a second meter or settlement point is a licensed FRMP and is therefore a member of an Ombudsman scheme, providing consistency and ease of dispute resolution in the face of complex products and relationships.
- Clear roles and responsibilities of each FRMP in a MTR metering configuration, supported by information that consumers are reasonably capable of understanding.
- Hardship provisions and responsibilities between FRMPs are clear, especially as they relate to disconnections.

In addition, we note that the issues paper only presents the model proposed by the Australian Energy Market Operator, which provides a range of complex metering arrangements that may only appeal to a limited number of highly technical consumers. We encourage the AEMC to consider simpler options that may have more mass market appeal, including the Alternative Technology Association's proposal to simply allow households with solar or storage to hold separate trading relationships for their consumption and export.

If you would like to discuss any of these matters further, please do not hesitate to contact me directly on 03 8554 6907 or at claire@consumeraction.org.au

Yours sincerely,

CONSUMER ACTION LAW CENTRE

A handwritten signature in black ink, appearing to read 'Claire Maries', with a long horizontal flourish extending to the right.

Claire Maries
Senior Energy Policy Officer