

# National Energy Retail Law (Queensland) Amendment Regulation 2019

Explanatory notes for SL 2019 No. 3

made under the

*National Energy Retail Law (Queensland) Act 2014*

## General Outline

### Short title

*National Energy Retail Law (Queensland) Amendment Regulation 2019*

### Authorising law

Section 12 of the *National Energy Retail Law (Queensland) Act 2014*

### Policy objectives and the reasons for them

Three recent changes to the National Energy Retail Rules (the Rules) have resulted in the need to amend the *National Energy Retail Law (Queensland) Regulation 2014*: estimated meter reads (rule 29), the early price change notification (rule 46 and clause 8.2 of Schedule 1) and the fixed benefit notification (rule 48A).

#### *Estimated meter reads (rule 29)*

On 25 October 2018, the Australian Energy Market Commission (AEMC) published a final Rule determination making it easier for small customers to fix inaccurate estimated bills by providing their own reading of an electricity or gas meter to their retailer. The new Rule, which took effect on 1 February 2019, duplicates the existing Queensland derogation (rule 29) which can now be removed.

#### *Early price change notification (rule 46 and clause 8.2 of Schedule 1)*

On 27 September 2018, the AEMC published a final Rule determination requiring retailers to notify their electricity and gas customers at least five business days before their energy prices change (i.e. either increase or decrease). The new Rule took effect on 1 February 2019 and will provide greater transparency and assist consumers to avoid potential bill shock.

Queensland already has a derogation that requires retailers to notify a small customer at least 10 business days before any increase in their tariffs and charges takes effect (rule 46(4) and clause 8.2 of Schedule 1). This derogation has been amended to ensure consistency with the new Rule, while retaining the Queensland requirement to provide at least 10 business days' notice of a price increase.

#### Fixed benefit notification (rule 48A)

On 7 November 2017, the AEMC published a final Rule determination (rule 48A) that requires energy retailers to notify electricity and gas customers when benefits, such as discounts in their contract, are about to end or change. The notification is intended to prompt customers to shop around for a better deal, prior to the end of their current contract (upon which the customer loses any discount that formed a part of the contract). Failure to look at new contract options often results in the customer being placed on the retailer's higher priced standing offer.

As a result of this Rule, the Australian Energy Regulator (AER) published the final Benefit Change Notice Guidelines (the Guidelines) on 18 June 2018. The Guidelines contain the requirements around the more detailed information that retailers must include in their notices. Retailers must comply with the new AER Guidelines from 1 October 2018.

The new Rule and Guidelines exceed the existing Queensland derogation for retailers to provide notice of the expiry of a fixed benefit (rule 48A) and can therefore be removed.

## **Achievement of policy objectives**

The achievement of the policy objectives will occur with the amendment of the *National Energy Retail Law (Queensland) Regulation 2014* as per the *National Energy Retail Law (Queensland) Amendment Regulation 2019*. The amendment regulation will result in the alignment of Queensland legislation to the changes to national energy law while maintaining the greater consumer protections the Queensland derogations provide.

## **Consistency with policy objectives of authorising law**

The amendment regulation is consistent with the National Energy Retail Objective set out in section 13 of the National Energy Retail Law, which is '*to promote efficient investment in, operation and use of energy services for the long-term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy*'.

## **Inconsistency with policy objectives of other legislation**

The amendment regulation is consistent with the policy objectives of other legislation. The amendments to the *National Energy Retail Law (Queensland) Regulation 2014* are consequential amendments resulting from changes to national energy law.

## **Benefits and costs of implementation**

The costs and benefits of amendments to the *National Energy Retail Law (Queensland) Regulation 2014* have not been calculated as the amendments are of a consequential nature to align Queensland legislation with changes to national energy law.

## **Consistency with fundamental legislative principles**

No breaches of fundamental legislative principles have been identified.

## **Consultation**

The amendments detailed in the *National Energy Retail Law (Queensland) Amendment Regulation 2019* are consequential subsequent to the finalisation of new national rules. These new national rules were made following an extensive consultation process undertaken by the AEMC.

In accordance with the *Queensland Government Guide to Better Regulation*, the Office of Best Practice Regulation was not consulted in relation to the regulatory proposal. The Department of Natural Resources, Mines and Energy applied a self-assessable exclusion from undertaking further regulatory impact analysis (category (a) – Regulatory proposals that make consequential amendments).