

30 June 2014

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The Research Director
State Development, Infrastructure and Industry Committee
Parliament House
George Street
Brisbane QLD 4000

By email to: sdiic@parliament.qld.gov.au

Submission No. 018 11.1.21

Submission No. 016 11.1.20

National Energy Retail Law (Queensland) Bill 2014 and Electricity Competition and Protection Legislation Amendment Bill 2014

Momentum Energy welcomes the opportunity to provide comments to the State Development, Infrastructure and Industry Committee (Committee) regarding its inquiry into the National Energy Retail Law (Queensland) Bill 2014 and the Electricity Competition and Protection Legislation Amendment Bill 2014.

Momentum Energy is a second tier retailer with current retail electricity licences in Victoria, New South Wales, South Australia, Queensland and the Australian Capital Territory, and current retail gas licences in Victoria and South Australia. Momentum Energy is fully owned by Hydro Tasmania, one of the largest clean energy producers in Australia.

Momentum is a member of the Energy Retailers Association of Australia and supports its submission to the Committee.

Queensland's proposed adoption of the National Energy Customer Framework (NECF) and shift from retail price regulation to market monitoring would make Queensland a more attractive market for retailers not currently operating in that state. Queensland consumers would benefit from increased competition and choice if market conditions in Queensland became favourable for second tier energy retailers. Innovation and a focus on competing to meet the needs of customers would result from the competition that would follow the removal of price regulation.

In addition to the direct benefits they would bring to Queensland consumers, adoption of NECF and retail price deregulation are a necessary foundation, via price reflectivity and greater competition, for an effective response to other important challenges ventilated in Queensland's 30 Year Electricity Strategy, namely the need for improved customer engagement, the opening up of demand management opportunities and broader and deeper energy efficiency.

The substantial administrative and compliance costs that retailers face as a consequence of legislative and regulatory inconsistencies across different jurisdictions play a significant role in investment decisions. The greater the extent to which Queensland reforms enhance national consistency, the more new retailers will turn their investment focus to the South-East Queensland market, thus contributing to a more competitive market for Queensland consumers. An enhanced focus on national consistency would also contribute to innovation and regulatory stability.

Moving to NECF and price monitoring after other states presents Queensland with an opportunity to take the lead on creating a harmonised energy market. Momentum recommends that Queensland look to utilise the national framework in order to add any additional consumer protections. This approach would ensure that any proposed derogations are carefully considered against the National Energy Retail Objective and that consumers in all NECF jurisdictions would benefit.

As an energy retailer that is licenced to sell electricity to small customers in Queensland but that currently chooses to focus on other markets, Momentum commends the Queensland Government for taking great strides toward bringing the benefits of retail electricity competition to Queensland households and small businesses.

If you would like to discuss this submission or any other matter, please contact me on (03) 8612 6437 or luke.brown@momentum.com.au.

Yours sincerely

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