

Hon Tom Koutsantonis MP

Minister for Mineral Resources and Energy

Tuesday, 27 September 2016

New Bills to investigate, monitor and report on anti-competitive behaviour by power generators

The State Government will give notice today that it will introduce two new Bills that will seek to protect South Australian energy customers from unfair trading practices by electricity generators.

The Bills will give the Australian Energy Regulator additional powers to monitor the electricity spot market and report on whether electricity generators are behaving in a way that abuses their market power, intentionally driving up electricity prices.

One bill will empower the Australian Energy Regulator to undertake a wholesale market monitoring and reporting function, which would give greater transparency during events like the July spot market price spikes. The other bill will help ensure that our network businesses are spending no more than is necessary to deliver electricity to consumers.

Background

At the COAG energy council In July Australian energy ministers agreed to the National Electricity (South Australia) (Australian Energy Regulator – Wholesale Market Monitoring) Amendment Bill 2016 and the Statutes Amendment (National Electricity and Gas Laws – Information Collection and Publication) Bill 2016.

South Australia is the lead legislator for the reforms.

Quotes attributable to Mineral Resources and Energy Minister Tom Koutsantonis

At COAG in July energy ministers recognised that there is a lack of transparency in the way generators operate in the NEM and that we need to be able to better monitor market behaviour in the interests of consumers.

South Australia is happy to lead on these reforms because we want to protect households and businesses from unfairly inflated power prices.

We have a situation in South Australia where competition is limited because the previous Liberal Government sold the State's electricity assets to monopolies.

These Bills will give greater oversight of the market to ensure that governments and consumers are aware if electricity generators abuse their market power.

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