

MEDIA RELEASE-

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Consumer groups call for a more competitive electricity market

On Thursday 11 December, Energy Ministers will once again meet at the COAG Energy Council conference in Adelaide to decide issues at the heart of affordable, secure and reliable energy for this country.

On the agenda is a simple decision: a rule change to give consumers and users choice of how they purchase and manage their own energy consumption, called the "demand response mechanism" or DRM.

A coalition of consumer and user groups (listed below), representing all Australia's energy consumers from disadvantaged and low income households to the biggest industrial energy users, has requested that ministers put aside the vested interests of the large energy retailers and generators and introduce this reform to promote competition, increase consumer choice, and put downward pressure on electricity prices.

The DRM was recommended by the Australian Energy Market Commission (AEMC) in their 2012 Power of Choice review. Its intention is to increase consumer participation in the NEM by creating a competitive market for energy procurement. Two years later a decision is still to be made.

Speaking on behalf of the Energy Users Association of Australia and the other consumer groups, EUAA Chief Executive Officer Phil Barresi said, "If governments believe in more effective competition in the wholesale market, a deferral of expensive network investment, and lower prices for consumers, than they should support the long-overdue DRM."

Representing NSW consumer groups, Dr Gabrielle Kuiper from the Public Interest Advocacy Centre said, "We urge Ministers to help consumers do their part in putting downward pressure on energy prices through the DRM by supporting this rule change."

The reform is supported by consumers, energy service companies, and numerous eminent energy market economists. It is being fiercely opposed by generators and retailers on spurious grounds because they prefer to minimise competition.

Responding to claims that the DRM would be expensive to implement, residential energy consumer advocate Mr Craig Memery said, "The high implementation cost burden claimed by energy retailers has never been substantiated. In any case, even the very conservative modelling commissioned by the government - at industry's insistence - shows that the benefits to consumers from the DRM outweigh the costs."

A last-minute lobbying campaign by the large retailers in the days leading up to last year's meeting saw the DRM delayed by a year while this new cost benefit analysis was conducted.

The coalition of consumer and energy service groups is asking Ministers to forward the proposal to the AEMC so that it can go through their normal rule change consideration process. This involves detailed scrutiny and two rounds of industry and stakeholder consultation.

Coalition of consumer and user groups:

Alternative Technology Association

Energy Users Association of Australia

Australian Industry Group

Ethnic Communities' Council of NSW

Consumer Action Law Centre

Consumer Utilities Advocacy Centre

Major Energy Users

Council of Social Service of NSW

Public Interest Advocacy Centre

South Australian Council of Social Service

Energy Efficiency Council

Uniting Communities

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