

PRESS RELEASE

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Ministers stand in support of Consumers and Users

Energy users of Australia welcome today's announcement of further choice in the way they purchase and manage their energy costs. This is a win for the rights of the consumer/user groups for a far more open and competitive market place.

At today's COAG Energy Ministers Meeting in Adelaide, ministers heard from stakeholders and then made the decisive step of referring the Demand Response Mechanism (DRM) rule change to the Australian Energy Markets Commission (AEMC).

Speaking on behalf of the Energy Users Association of Australia (EUAA), Chief Executive Officer Phil Barresi said "The DRM will allow large energy users and in time other consumer groups to take advantage of a new rule giving choice on how they purchase and manage energy consumption."

A coalition of consumer and user groups, representing Australia's energy consumers from disadvantaged and low income households to the biggest industrial energy users, today 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.

Mr Barresi said, "This decision will deliver more effective competition in the wholesale market, a deferral of expensive network investment, and lower prices for consumers.

We have been urging 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. 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. A similar attempt was made at this year's meeting.

"The coalition of consumer and user groups congratulates all Energy Ministers for standing alongside consumers and users in putting forward the proposal to the AEMC. They are to be commended for standing firm in the face of fierce opposition from generators/retailers." Said Mr Barresi.

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