

21 March 2025

Andrew Nicholls PSM  
Chief Executive Officer  
Independent Pricing and Regulatory Tribunal NSW  
Level 16, 2-24 Rawson Place  
SYDNEY NSW 2000

Sent by email to: [REDACTED]

Dear Mr Nicholls

**Re: Australian Energy Regulator's response to the *Monitoring the NSW Retail Electricity Market 2023-24 Annual Report***

This letter provides the Australian Energy Regulator's (AER) response to the Independent Pricing and Regulatory Tribunal NSW's (IPART) 2023-24 Annual Market Monitoring Report for the NSW Retail Electricity Market (the Report).

The AER's purpose is to ensure energy consumers are better off, now and in the future. As part of this, we monitor wholesale market performance, report on market activity and play a key role in enabling consumers to make informed choices about their energy supplier. This includes ensuring they are empowered to access the best energy offer for their circumstances. As such, the AER has a number of roles under the National Energy Customer Framework (NECF), which includes administering the retailer authorisation and exemption regime, approving retail hardship policies, and providing the Energy Made Easy (EME) price comparator website.

The AER has reviewed the recommendations IPART has made in the Report in relation to our role, functions and EME. The AER is supportive of the intent of a number of the recommendations and will look for opportunities to implement these where feasible. We have included further detail below in response to these recommendations.

**AER reporting on retailer hedging contracts**

IPART's first recommendation is that, as part of the AER's new Contract Market Monitoring role, the AER should consider and report on the emerging issue of whether retailers have sufficient access to suitable hedging contracts as coal-fired generators retire. IPART noted this should also consider whether policy changes could assist in facilitating the development of new hedging products to support retailers through the energy transition.

The AER monitors and reports on wholesale markets and contract markets to improve transparency as to market conduct and the outcomes markets are delivering. Our new contract market monitoring powers will also enable deeper insights into retail markets and drivers underpinning prices ultimately paid by consumers. While we are in the early phases of implementing these new powers, we will take IPART's recommendations into account as we progress.

### **Recommendations relating to the EME website**

IPART also recommended a series of enhancements to the EME website, including:

- whether additional disclosure or functionality could be added to clearly show users which meter type or network tariff type a plan is compatible with (Recommendation 3).
- updating it to enable it to show the cost of a customer's current electricity plan, even if it is a legacy offer. IPART consider this will enable customers to compare alternative offers with the plan that they are actually on (Recommendation 7).
- as a matter of priority, enabling demand charges to be included in the total cost of an electricity plan (Recommendation 9).

### **AER response to EME website recommendations**

The AER has undertaken in-depth analysis on the options to reflect network tariff eligibility on EME. The AER is supportive in principle of enabling demand charges to be included in estimated plan costs, and we are considering the feasibility of this. For both Recommendations 3 and 9, due to the complexity from a technical operating environment perspective for EME, developing and deploying solutions would take some time.

The AER is supportive of Recommendation 7 in principle and will continue to assess the feasibility of implementing it. However, we note there would be practical challenges. These include how legacy plan information is uploaded by retailers onto EME. If implemented, this may result in increased compliance costs for retailers. Regulatory change may also be required to compel retailers to provide legacy plan information.

The AER appreciates the opportunity to provide IPART with this response. If you have any questions or would like to discuss our response further, please contact Geoff Purvis-Smith, General Counsel AER, at [REDACTED].

Yours sincerely

[REDACTED]

Anthea Harris  
Chief Executive Officer  
Australian Energy Regulator

CC: The Honourable (Penny) Penelope Gail Sharpe, MLC – Minister for Climate Change, Minister for Energy, Minister for the Environment and Minister for Heritage; Anthony Lean – Secretary, NSW Department of Climate Change, Energy, the Environment and Water