

National Energy Retail Law (Queensland) Amendment Regulation (No.2) 2024

Explanatory notes for Subordinate Legislation 2024 No. 228

made under the

National Energy Retail Law (Queensland) Act 2014

General Outline

Short title

National Energy Retail Law (Queensland) Amendment Regulation (No.2) 2024

Authorising law

Section 11 of the *National Energy Retail Law (Queensland) Act 2014*.

Policy objectives and the reasons for them

Under the *Electricity Act 1994* and the *Electricity Regulation 2006*, all new and replacement electricity meters must be smart (digital) meters. Older style accumulation meters are to be replaced with digital meters by 2030. The electricity retailer is responsible for managing the installation process of smart meters.

Following the installation of a smart meter, some South East Queensland (SEQ) electricity retailers are switching small residential customers from a flat retail tariff to a demand or time of use (TOU) retail tariff. This is a commercial decision of the retailer.

Explicit customer consent is not required for the tariff change; however, retailers must notify customers of the change. If customers are unable to move their electricity consumption to the middle of the day when prices are lower, this can contribute to higher electricity bills.

To ensure consumers are protected through the installation and transition to smart meters, new consumer protections are required that:

- ensure standing offer customers in SEQ continue to have access to flat-rate pricing tariffs after a smart meter is installed; and
- require retailers to advise market offer customers at the same time they are notified of a tariff change, that a standing offer with a flat tariff structure is available, and (if applicable), TOU tariff options that could provide household savings if energy usage is moved away from peak periods.

Achievement of policy objectives

Section 11 of the Act enables the Governor in Council to make a regulation for the National Energy Retail Law Queensland.

The *National Energy Retail Law (Queensland) Amendment Regulation (No.2) 2024* will ensure additional protections are in place, as soon as possible, to support SEQ customers following the installation of a smart meters. This Regulation achieves the policy objectives by requiring electricity retailers:

- to make available a standing offer with a flat tariff structure; and
- to advise market offer customers of the existence of a flat tariff standing offer, when informing the customer of a prospective tariff change to their existing market contract, and (if applicable), TOU tariff options that could provide household savings if energy usage is moved away from peak periods.

This Regulation will ensure the customer protection, afforded by the Default Market Offer that was available to the customer prior to the installation of a smart meter, remains in place. It will ensure that retailers will be obligated to offer a flat rate retail tariff to all its customers, and customers who have been moved to a demand or TOU tariff will be able to switch to a flat rate retail tariff.

Consistency with policy objectives of authorising law

The Regulation is consistent with the objectives of the Act, which is to enable the application of the *National Energy Retail Law* as a law of Queensland and to enact Queensland specific instruments as provided by the national framework.

Inconsistency with policy objectives of other legislation

The *National Energy Retail Law (Queensland) Amendment Regulation (No.2) 2024* is consistent with the policy objectives of other legislation.

Alternative ways of achieving policy objectives

There is no other way to achieve the policy objectives.

Benefits and costs of implementation

The *National Energy Retail Law (Queensland) Amendment Regulation (No.2) 2024* is necessary to ensure immediate protections are provided to consumers, following the installation of a smart meter. Without this Amendment Regulation, electricity retailers could continue to switch SEQ customers to a demand or TOU tariff (without also providing a flat tariff option), following the installation of a smart meter. This could result in higher electricity bills for consumers if they are unable to move their electricity consumption to the middle of the day.

No implementation costs are anticipated for the Queensland Government or SEQ electricity customers and only minimal implementation impacts are anticipated for electricity retailers.

Consistency with fundamental legislative principles

The *National Energy Retail Law (Queensland) Amendment Regulation (No.2) 2024* is consistent with fundamental legislative principles.

Consultation

Queensland electricity retailers were afforded the opportunity to provide feedback during the development of the Amendment Regulation.