



AUSTRALIAN COMPETITION
& CONSUMER COMMISSION

The National Energy Market

Poor decisions	Big problems	Proposed solutions
<p>Loosening of the rules regulating monopoly networks</p> <p>Excessive reliability standards leading to over investment</p>	<p>Customers paying more than they should due to excessive regulated network asset bases</p>	<p>Write down excessive Regulatory Asset Bases in Qld, NSW, Tas or take equivalent action; remove network tax in Vic</p>
<p>Offering excessively generous solar feed-in tariffs</p>	<p>Those without solar panels are subsidising excessive benefit to those that have them</p>	<p>Take cost of premium feed-in tariffs on budget; including NSW equivalent scheme</p>
<p>Collapsing Queensland generation from 3 to 2 players</p> <p>Selling NSW generation assets without sufficient eye to competition</p>	<p>Considerable market power in generation contributing to higher prices</p>	<p>Qld break up current generation into 3 units, and sell 2 (to non-big 3)</p> <p>Prevent future generation acquisitions from allowing any entity to exceed 20% market share</p> <p>All OTC trades to be declared through registry; market making obligation in SA</p> <p>Government provide back end price support for generation by new/ smaller players</p> <p>Allow demand to be bid in</p>
<p>Stopping/impeding gas exploration and development</p>	<p>Prices increasing as gas is more often the marginal generator</p>	<p>Make more gas available</p>
<p>Meeting sustainability objectives by subsidising renewable energy without regard to market needs for energy</p>	<p>Subsidies for generation assets that may not be capable of providing energy when the market needs it</p>	<p>Introduce well designed NEG</p>
<p>Retailers market by deliberately opaque discounts</p> <p>Retailers levy excessive penalties for non-on time payments</p> <p>Retailers exploit customer "stickiness"</p>	<p>Active customers using highest discount often not getting the lowest price</p> <p>Consumers disengage from market, undermining competition</p> <p>Inactive customers paying too much</p>	<p>AER set 'default' tariffs to replace standard offers; be base for all discounts</p> <p>Limit excessive penalties for late payment</p> <p>Fund groups to facilitate greater consumer, small business switching</p>