

From:
To: [DMO](#)
Subject: Draft DMO submission
Date: Tuesday, 19 March 2024 11:22:08 AM

Submission on draft DMO.

Dear AER,

I submit that the draft DMO inadequately protects consumers and is an insufficient response to wholesale price moderations since 2022, in light of recent increases to DMO prices in the past few years.

In 2022-23 we saw increases of between 5.7% and 19.7%.

In 2023-24 we saw increases of between 8.4% and 28.9%.

Now in 2024-25, after seeing wholesale prices fall by between 44% and 64% (<https://www.aer.gov.au/news/articles/news-releases/average-wholesale-energy-prices-drop-2023>) we see a draft proposal to continue to increase prices by up to 2.7% for some consumers, while offering a maximum reduction of only 13% in one market. Sydney sees a modest 2-3% fall.

Prices were very quick to respond to higher wholesale prices in the middle of 2022, but in the nearly two years since prices began to moderate again, prices paid by consumers have not moved in line with those shifts, and this proposal and the disparity between wholesale and retail costs appears far too great.

I understand the DMO price is set by reference to more than just wholesale prices, but in circumstances where previous price rises have totalled 50% in some places, to offer further price rises for some, and only modest cuts for others, when we see wholesale prices falling so much, does not seem reasonable.

I encourage AER to cut prices more.

Thanks

