



**TREASURER
MINISTER FOR ENERGY AND EMISSIONS REDUCTION**

MS19-000439

Ms Paula Conboy
Chair
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3000

6 SEP 2019

Dear Ms Conboy *Paula*

As you are aware, on 1 July 2019, the Australian Government's *Competition and Consumer (Industry Code – Electricity Retail) Regulations 2019* (the Code) commenced, conferring functions on the AER to make annual price and usage determinations, and requiring retailers to:

- cap their 'flat rate' electricity standing offers at the AER-determined price;
- compare their offers to the price cap; and
- ensure conditional discounts are not the most conspicuous pricing feature in advertising.

The Government is focused on reducing electricity prices and ensuring the market is easy for customers to navigate. We therefore consider it essential for these protections in the Code to be available to the largest number of customers possible.

As the Government previously indicated in its consultation and the Regulation Impact Statement, we propose to expand the Code to cover residential flexible ('time-of-use') customers and residential and small business customers with solar PV from 1 July 2020. Accordingly, we ask that the AER consider these types of customers in the development of its price and usage determinations for the 2020-21 period.

We ask that you work closely with officials from the Treasury and the Department of the Environment and Energy throughout this process, and undertake consultation as appropriate.

Yours sincerely

JOSH FRYDENBERG
Treasurer

ANGUS TAYLOR
Minister for Energy and Emissions Reduction

Cc: Mr Rod Sims, Chair, Australian Competition and Consumer Commission