



30 June 2017

2016 Retail Electricity Market Monitoring Review
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Lodged online.

To whom it may concern:

RE: 2017 Review of the Performance and Competitiveness of the Retail Electricity Market in NSW—Information Paper

Origin welcomes the opportunity to respond to the Independent Pricing and Regulatory Tribunal's (IPART) Information Paper on Performance and Competitiveness of the Retail Electricity Market in NSW.

In Table one of the Information Paper, IPART sets out the five key indicators for assessing the degree of competition in the market. Origin believes that "Competition is appropriately seen as a rivalrous discovery process".¹ To that end, the first, second and fourth indicators in Table one should provide IPART with a reasonable assessment of the competitiveness of the market. We understand that price movements are of interest to IPART. Origin notes that it is hard to identify what a competitive price outcome is, and that it is better to assess whether competition is present in the market because prices will invariably reflect the competitive process.

IPART have also asked stakeholders whether there are other issues or outcomes that need to be considered. In Origin's view the development of new energy products and services needs to be considered by IPART when assessing competition in the market. Retail competition can no longer be understood solely in terms of contracts for the supply of gas or electricity. Customers are supplementing their supply via residential solar PV, and a range of product offerings have opened up in the market to meet this demand. Many of these products and services are offered from businesses that have been granted an exemption from holding a retail licence by the AER. These products are in direct competition with the traditional retail market and they ought to be examined to understand their impact on the broader market. Origin supports the views stated in the AEC's submission on this issue.

Origin would be pleased to discuss any matters raised within this response with IPART. Please contact Timothy Wilson (Regulatory Analyst) in the first instance on (03) 8665 7155.

Yours sincerely



Steve Reid
Manager Wholesale Regulatory Policy

¹ Littlechild, McCarthy, Marshall, Smith, Spottiswoode, *Submission to CMA*, 7 August 2014, p. 3. Accessed here: <http://www.eprg.group.cam.ac.uk/wp-content/uploads/2014/08/Submission-to-CMA-7-Aug-2014.pdf>