

27 January 2022

Essential Services Commission
Level 8, 570 Bourke St
Melbourne VIC 3000

Lodged via EngageVictoria

Dear Commissioners,

Re: Victorian Default Offer from 1 July 2022 – consultation

Simply Energy welcomes the opportunity to provide feedback on the Essential Services Commission's (Commission) initial consultation on the Victorian Default Offer (VDO) price determination to apply from 1 July 2022.

Simply Energy is a leading energy retailer with approximately 730,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. As a leading retailer focused on continual growth and development, Simply Energy supports the development of effective regulation to facilitate competition and positive consumer outcomes in the market.

While Simply Energy understands the reasons behind the introduction of the VDO, Simply Energy does not support price regulation in competitive markets.

Simply Energy supports the Commission's proposal to use largely the same methodology as it has in recent VDO price determinations. There has been limited evidence to justify significant changes to the current VDO methodology at this stage.

As we have noted in previous submissions, there has been a quick turnaround between VDO price determinations in 2020, 2021 and 2022. In that context we would prefer that any significant changes to the VDO methodology were deferred until the 2023-24 VDO price determination. This would ensure that the Commission has the time to undertake a detailed review of the VDO methodology and run an extended consultation process with stakeholders. This would enable the Commission to properly consider the implications of any major change to the VDO methodology.

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact Matthew Giampiccolo, Senior Regulatory Adviser, at matthew.giampiccolo@simplyenergy.com.au.

Yours sincerely



James Barton

General Manager, Regulation
Simply Energy