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Economic Regulation Authority
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By electronic submission

18 January 2025

Submission: Amendments to the Code of Conduct for Gas Marketing - Draft decision

We refer to the document “Draft decision Amendments to the code of conduct for gas marketing 9 December 2024” (the **Draft Decision**) in relation to the Gas Marketing Code of Conduct (the **Code**).

We support the changes proposed because they provide consumers with important information when comparing gas and electricity appliances. This is important for the energy transition and ensures consumers have clear information regarding emissions factors and the cost of running appliances.

As noted in the Draft Decision, Western Australian consumers can already compare ‘units with units’, that is, 1 kWh of electricity being equivalent to 3.6 MJ of gas - this is very useful information and could be communicated more broadly.

The changes proposed to the Code address other existing shortcomings, related to comparisons based on emissions and cost and these are very important.

Proposed clause 6C(4)(b) of the *Gas Marketing Code of Conduct Amendment Code 2024* only requires a reference to the flat tariff offered by Synergy. It would be preferable to draw consumers’ attention to other tariffs offered by Synergy and / or other comparisons, such as the use of and promotion of behind the meter solar.

For example, Synergy’s Midday Saver tariff offers a 6 hour block at 8.4c / kWh. Coupled with a reasonable seasonal coefficient of performance (COP) of 3, this provides for a heat pump hot water system with a heat output cost of approximately 2.8c per unit.

Behind the meter solar is even more cost efficient, effectively utilizing the lost DEBS rate of 2c / kWh, resulting in a heat output cost of approximately 0.66c per unit.

Gas companies might argue over heating timing (vis-à-vis tariffs), but it is evident that heat pump hot water systems should be programmed to run during the day. Similarly, substantial home heating or cooling can also be done during this period providing effective pre-heating or cooling.

If there is no regulatory appetite for detailed comparisons, we suggest that any reference to comparative electricity tariffs could at least include a note such as: “This is Synergy’s A1 tariff used for comparison as a default tariff available for all electricity consumers. Electricity consumers have other ways of procuring electricity, including using Synergy’s time-of-use tariffs or investing in behind-the-meter solar, which may be even more cost-effective depending on use.”

We understand that the changes were generally opposed during consultation, with suggestions that there was no evidence to support the change.¹

We understand a claim was made that the industry did not have the “specialised expertise necessary to reliably offer energy comparisons with electricity”, that it would be of little benefit to consumers or that it would increase “regulatory burdens and compliance costs”.²

Both claims are weak and incompatible with a timely energy transition.

Comparisons are easily made with the simple formulas provided in the draft amendments to the Code.

Yours sincerely

Fraser Maywood

Chair, Sustainable Energy Now Inc

Submission approved by the SEN Committee on 18th January 2025 via circular resolution

Sustainable Energy Now (www.sen.asn.au) formed in 2006 is a grass-roots not-for-profit member based advocacy group promoting renewable energy and decarbonisation. Supported by the best science and our own modelling and simulation, we advocate on how Western Australia can make a swift and orderly transition to clean renewable electricity safely, reliably, and affordably with commercially proven technologies.

¹ <https://reneweconomy.com.au/regulator-to-force-gas-companies-to-be-clear-and-accurate-when-comparing-electric-appliances/>

² Ibid.