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## Essential Services Commission

Submitted online [exemptionregister@esc.vic.gov.au](mailto:exemptionregister@esc.vic.gov.au)

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10 August 2018

### **Energy Retail Code - Obligations for exempt sellers under the General Exemption Order 2017**

AGL Energy (AGL) welcomes the opportunity to comment on the Essential Services Commission (Commission) draft decision on the Energy Retail Code obligations for exempt sellers under the General Exemption Order 2017.

AGL support the Commission's approach to promoting consistency with the national framework to ensure consumers are afforded the same protections irrespective of who they receive their energy from. The expansion of alternative dispute resolution powers to the Energy and Water Ombudsman of Victoria for exempt sellers is a positive first. National consistency helps reduce regulatory burden and ensures consistent outcomes for all exempt seller customers. As recommended by the ACCC in their electricity inquiry report, national consistency will help reduce costs to businesses and therefore costs to the end users.

#### **Ensuring consistency**

AGL note that the Australian Energy Market Commission (AEMC) has started work to implement a new regulatory framework for embedded networks to provide customers with appropriate access to retail competition and consumer protections. As part of a package of law and rule changes, the AEMC is seeking to elevate new embedded networks into the national regulatory framework by requiring registration of embedded network service providers, requiring on-sellers to hold a retailer authorisation, and extending the same metering arrangements for standard supply customers to embedded network customers. AGL encourage the Commission to ensure that any amendments made to align with the AER framework will bare in mind the upcoming changes and continue to align with these processes.

#### **Information disclosure**

AGL consider that exempt sellers should have rigorous upfront disclosures requirements imposed on them to ensure that customers are fully informed of their rights, how they access their energy and exercise their right to change energy providers. The below case study highlights that there is currently very little protection for an end customer in a scenario involving a third-party service provider. There are no arrangements such as Retailer of Last Resort or an effective way for the energy retailer to communicate with the end customer. While some of these matters may be resolved with amendments to the commercial contractual arrangements, there should also be a requirement on these third-party service providers to give upfront disclosure to end customers, who they are, how they operate, the right that the customer has if the third party goes bankrupt, and how energy connections are maintained. These obligations should apply to both residential and small businesses (for example, a small café set up at the bottom of a residential apartment block) as the detriment is the same.



AGL request the below case study remain confidential due to the sensitive nature of this information. Should you have any questions or comments, please contact Kathryn Burela on (03) 9273 8654 or [kburela@agl.com.au](mailto:kburela@agl.com.au).

Regards

Con Hristodoulidis

A handwritten signature in blue ink, appearing to read 'Con Hristodoulidis', with a large, sweeping flourish extending to the right.

Senior Manager Regulatory Strategy