



Essential Services Commission
Level 37, 2 Lonsdale St
MELBOURNE VIC 3000

2 July 2020

By electronic lodgement: <https://engage.vic.gov.au/electricity-distribution-code-review>

Electricity Distribution Code review – customer service standards

Alinta Energy welcomes the opportunity to respond to the Commission's Electricity Distribution Code ('the Code') review – Customer Service Standards Draft Decision (the 'Draft decision').

Alinta Energy, as an active investor in energy markets across Australia with an owned and contracted generation portfolio of nearly 3,000MW and more than 1.1 million electricity and gas customers, has a strong interest in the effectiveness and viability of the competitive energy market.

The Code is an important part of the regulatory framework supporting the development, management and operation of Victoria's electricity network. We welcome the customer protections proposed in the draft decision. This will undoubtedly streamline processes between distributors and customers, allowing for efficient and timely communications that will lead to cost savings for distributors and ultimately customers.

Provision of customer information by retailers to distributors

The commentary regarding Draft Decision 1 states;

*'Retailers will be **required to collect** customer information, including electronic and other contact details, and provide it to electricity distributors in a timely manner'.*

Whereas the proposed Code changes, simply states;

*'2.7.2 A retailer must **provide** to a distributor the following information in respect of a person who is a customer of the retailer and a customer of the distributor'.*

The regulations, as drafted, are inconsistent with the commentary in the Draft Decision. The commentary implies that retailers will be required to ask customers to provide the data sets listed in 2.7.2 (the customer information), however the proposed regulations only states that the customer information must be provided to the distributor. We interpret the drafted regulations to require the retailer to provide the customer information to the distributor, to the extent that they have the customer information and not that we are required to collect or ask the customer to provide the customer information. Although, retailers do typically ask for the data sets described in the Draft Decision when forming a contract, it is our view that prescribing

regulations on retailers to ask or collect this information is unnecessary and the Code is not the appropriate regulatory instrument to propose these types of process changes. Alinta Energy seeks clarification that the regulations, as drafted, was the intent of this reform and that any new or additional obligations on retailers should be considered through the appropriate consultation process within the Energy Retail Code.

The proposed regulations in the Draft Decision simply states that retailers are required to provide the customer information to the distributor within specific timeframes. The proposed regulations do not detail how this information exchange between retailer and distributor would occur. The commentary within the Draft Decision does however state that;

We understand that systems and processes are already in place through the Australian Energy Market Operators' systems and business-to-business procedures. Therefore, we do not view this as an impediment to providing details to distributors in a timely manner ahead of distributors' obligations coming into force on 1 January 2021.

The Draft Decision places a great deal of reliance on the business-to-business procedures being fit-for-purpose to allow for this information exchange between retailers and distributors. Although similar to the customer information described in the Draft Decision, not all elements of customer information described in the Draft Decision align categorically to the Australian Energy Market Operators' systems and business-to-business procedures. The Draft Decision taking effect on 1 November 2020, should be contingent on retailers not being requiring to develop any system changes to interact with the Australian Energy Market Operators' systems and business-to-business procedures and our own associate market transactions.

2.7.3 (d) of the Draft Decision states;

(d) by monthly electronic transfers of the required information from the database of the retailer (or at any other intervals as may be agreed between the retailer and the distributor) for the purposes of the reconciliation of information provided under clause 2.7.2.

Alinta Energy recognises the value in conducting periodic reconciliations of customer information between retailers and distributors. That being said, Alinta Energy would consider monthly reconciliations to be inappropriate and unnecessary. In our view a quarterly reconciliation process, would be an appropriate time frame and would align with other regulatory reconciliation processes that are conducted in place.

Allowing distributors to use electronic only notification of planned outages when they have obtained a customer's explicit informed consent

Alinta Energy acknowledges the value in providing interruption notices via electronic communications for both the distributor and the customer. That being said, we also value the necessity to acquire Explicit Informed Consent (EIC) from the customer in order to communicate with them electronically. To that end, it is our view that the distributors must obtain EIC from the customer in order to do so. In our experience it can be quite unsettling or even intrusive to receive an electronic communication from an external party when the customer has not provided EIC. We say this, as it is not uncommon for a customer to be unaware of who their distributor is and receiving an electronic communication from an unknown entity can compound that concerns the customer has about their information being passed on without their EIC. Alinta Energy strongly oppose any EIC we have obtained being considered to apply to the distributor for the execution of their functions.

Ensuring customers receive guaranteed service level payments in a timely manner

The Draft Decision now requires the retailer to process any Guaranteed Service Level payments to the customer's account within two business days. The GSL payment is an entitlement Victorian's deserve if the distributor has not met the standards expected of them for a previous billing period. Given that the distributors have 60 business days to process the GSL payment, it is Alinta Energy's view that retailers should have comparable expectations placed on them to process the GSL payment to the customer's account. A more appropriate timeframe would be 10 business days, this would align to a number of timeframe expectations already in operation within the Energy Retail Code.

Alinta Energy would encourage further discussion with the Commission on any of the matters raised in this response. Please contact Shaun Ruddy (Manager, National Retail Regulation) on [REDACTED] in the first instance.

Yours sincerely,



Graeme Hamilton
General Manager, Government & Regulatory Affairs