



Supporting small business energy customers through the coronavirus pandemic

Workshop

6 July 2020



Agenda

- Welcome (Aaron Yuen)
- Overview of proposals
- Summary of our proposed reforms for small business customers
- Questions to guide discussion
- Next steps and close

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Overview of proposals



Proposals to support residential customers



Proposals to support small business customers



Potential future network charge relief

Payment flexibility

Payment assistance



Our proposed reforms for small business customers

- While our payment difficulty framework provides minimum entitlements to residential customers, there is no equivalent for small businesses.
- From 1 October 2020, we propose that retailers must provide small business customers with minimum entitlements to payment assistance on a temporary basis, including:
 - **payment flexibility** to help small businesses avoid getting into arrears with their retailer
 - **payment assistance** to help small businesses in arrears pay for their ongoing energy use, repay their arrears and lower their energy costs.

Payment flexibility

- We have proposed that if a small business contacts their retailer seeking flexibility in the payment of an upcoming energy bill, the retailer must make available the following forms of assistance:
 - making payments of an equal amount over a specified period
 - options for making payments at different intervals
 - extending by a specified period the pay-by-date for a bill for at least one billing cycle in any 12 month period.

Questions for discussion

- Are our proposed **payment flexibility** entitlements appropriate for small business customers?
- Are there any other forms of **payment flexibility** that would help small business customers avoid getting into arrears during this period?

Payment assistance – length of time for assistance

- We are proposing that if a small business misses a bill pay-by-date, it will be entitled to:
 - repayment of arrears over not more than two years by payments at regular intervals of up to one month
 - advice from their retailer about payment options that would enable the repayment of their arrears over not more than two years
 - assistance to help the small business lower its energy costs by completing a tariff check to find a contract that will most likely minimise the small business' energy costs.

Question for discussion

- Is two years an appropriate length of time for small business customers to be asked to repay their arrears?

Payment assistance – eligibility criteria

- We are proposing that the temporary entitlement to payment assistance is provided to any small business customer that misses a bill pay-by-date.

Question for discussion

- Should small business customers be eligible for these temporary entitlements if they miss a bill pay-by-date?

Length of temporary assistance program

- We are proposing that the assistance program would cease accepting new entrants after six months after commencement of the rules or as otherwise extended.
- Retailers would be obligated to continue providing a small business with the agreed payment arrangement under this temporary assistance program until the terms of that arrangement concluded.

Question for discussion

- Is six months an appropriate length of time for any temporary assistance program to be in place?

Any other measures we should consider?

Question for discussion

- Apart from what is proposed in our draft decision, are there any other measures we should consider to ensure consistent protections for small business customers?

Next steps

- Written submissions should be made via Engage Victoria by 5pm on 14 July 2020
- Please contact the team on energyreform@esc.vic.gov.au for questions or to arrange a meeting.