

11 July 2024

Dear Essential Services Commission

→ **REVIEW OF ENERGY RETAIL CODE OF PRACTICE – ISSUES PAPER**

I refer to the Issues Paper (Paper) released by the Commission on 6 June 2024 inviting submissions about focus areas and proposed changes to the Energy Retail Code of Practice (Code).

Having reviewed the Paper, Solstice Energy Retail (SER) would like to take this opportunity to raise a few key matters for consideration by the Commission in its' review of the Code.

Background

Under our Gas Retail Licence granted by the Commission, SER is restricted to retailing natural gas to 10 regional Victorian towns and services approximately 1100 small customers across those towns. This is part of the Energy for the Regions Program (ERP) which, in conjunction with Gas Networks Victoria (GNV) and Regional Energy Victoria, supplies natural gas to these customers. SER is the only natural gas retailer in these towns as set out in the ERP.

SER also retails natural gas in Tasmania and has recently commenced retailing electricity to Tasmanians under the National Energy Customer Framework (NECF).

Whilst SER generally supports the scope of the proposed review of the Code, we note that the cost and complexity in implementing any changes is likely to be more material to a business the scale of SER and may impact pricing for Victorian consumers. We discuss some of the key areas raised in the Paper in more detail below.

Family Violence

Considering SER now retails electricity in the NECF jurisdiction and noting the Office of the Tasmanian Economic Regulator (OTTER) has recently harmonised the Tasmanian Gas Retail Code with NECF family violence requirements, we support consistency between the Code and NECF in relation to family violence requirements wherever possible to assist with operations.

We have however noticed some gaps, which we think the Code is best placed to address.

We would welcome clarification in the Code on the test for how a retailer "becomes aware" of a customer's status as a family violence customer. For example, is it when a customer service representative is told by a customer, or should it be inferred from a customer's behaviour? The latter is challenging in circumstances where customer service representatives are not trained counsellors.

In addition, any amendments to the Code should consider how a retailer manages:

- Joint accounts – there is a risk that the joint account holder is the perpetrator of family violence against the customer; and
- Customers without capacity who have a power of attorney, enduring guardian or other authorised representative – there is risk that this representative is the perpetrator of family violence against the customer.

Obligation to place debt on hold for six months

Whilst SER provides customers with this support quite often, we agree that it does not provide customers the tools to help manage arrears whilst supporting ongoing consumption longer term. We have noticed that customers end up accruing higher debt after having their initial debt put on hold for six months, and so we would encourage initiatives in the Code that makes this obligation more effective for customers in reducing their overall debt.

Abolishments

We note that the Paper refers to the Australian Energy Regulator's decision to lower the fees that Victorian gas distributors may charge a customer for abolishing a connection. However, this decision does not apply to the distributor that supplies SER's customers (GNV). Any reference to distributor charges for abolishment's in the Code should therefore be broad enough to reflect charges that may differ from the \$220 agreed fee for regulated gas networks that can recover additional costs through regulated pricing.

For abolishment's, the small customer makes the request to SER. This is because it is SER who has the relationship with the small customer, not GNV. Once SER receives the abolishment request, SER confirms that it is the owner (not tenant) who is making the request, and then SER emails GNV who provides a quote to pass onto the customer. GNV then invoices the customer directly for the works.

Assistance and information on energy efficiency

We agree that customer service representatives are not best placed to provide customers with advice on energy efficiency as they are not financial counsellors. SER would welcome prescribed subject matter on energy efficiency for use by retailers; for example a central website administered by ESC with resources for customers that retailers can refer to. Given energy efficiency advice can differ between states, a central Victorian resource would be helpful.

Bill information requirements

We *strongly disagree* with aligning Victoria's energy bills with the Australian Energy Regulator's (AER's) Better Bills Guideline. SER has already invested considerable time and resources into a billing template that is compliant with the existing Code requirements. The cost of reconfiguring our billing template would be disproportionate to the small and decreasing number of SER customers in Victoria and would ultimately need to be passed through to customers in an already tense cost of living environment.

If ESC decides to transition towards aligning Victorian gas bills with the AER's Guidelines, we would kindly request consideration be given to exempting SER from this requirement based on SER's unique position within the Victorian natural gas retail landscape. SER intends to continue to issue bills in accordance with the current detailed requirements which we have invested in significantly in order to meet.

Better offer obligations

By way of background, all SER residential customers are on the same offer and all small business customers are on the same offer, as there is only one offer available per customer type.

Due to the misalignment of the billing frequency and best offer message frequency in the Code, SER issues bills to its Victorian small customers monthly and applies the best offer message to the monthly billing template.

SER's billing template is configured so that the best offer message uses the same box as other billing messages. Therefore, if SER wishes to communicate with customers on the bill (i.e. bill change notification), the best offer message cannot also be included. For this reason, and given SER only has one offer available per customer type, we also request consideration be given to exempting SER from the requirement to include a best offer message on its' billing template, as this message is of no utility to our customers.

Clarifying unclear definitions: Arrange a disconnection

It is important to note that SER does not control the date of disconnection, only the date the service order for disconnection is raised with the Distributor. It is ultimately up to the Distributor to determine the actual date of disconnection in line with their own obligations. Therefore, SER proceeds on the basis that the date a disconnection is arranged is the date the service order is raised. If "arrange a

disconnection” was to be replaced with “disconnect” in the Code, it could place obligations on SER that it is unable to comply with due to the date of disconnection being outside of its’ control.

At present, when a customer enters into a payment arrangement with SER between the service order being raised and the disconnection occurring, SER mitigates the risk of a wrongful disconnection occurring through conducting daily checks and cancelling service orders where a payment plan has been entered into.

Receipt of communications and notices

Presumed receipt of written communications is particularly relevant for customers whose preferred method of communication is post, and SER has noticed a large portion of its’ Victorian customer’s communication preference is post.

If a retailer must wait for a communication to be presumed to be received before undertaking follow up actions that are required by the Code, this would push out follow up actions that are ordinarily taken within the current prescribed timeframes. SER considers prescribed timeframes may need to be extended to account for delivery timeframes as well as presumed receipt timeframes, and sees a potential risk of inhibiting timeliness of communications with customers.

Please contact Georgia Newland on [REDACTED] or [REDACTED] if you would like to discuss any matter arising out of this submission.

Yours sincerely

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Sarah Thurstans

GM Retail, Solstice Energy Retail