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# Victorian Energy Market Update



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The Victorian Energy Market Update meets our reporting obligations under Sections 54V and 54W of the *Essential Services Commission Act 2001*, Section 39A of the *Electricity Industry Act 2000* and Section 47 of the *Gas Industry Act 2001*.

## Introduction

The Victorian energy market update, from July to December 2020, covers:

- it's your Energy campaign – energy rights for Victorian customers
- prices of energy offers in the market and the updated Victorian Default Offer prices for 2021
- newly licensed energy companies
- disconnections of energy customers for non-payment
- how energy companies are complying with the energy rules
- our recent changes to the energy rules.

## Contents

<b>Introduction</b>	<b>3</b>
<b>Results from our campaign on energy rights for Victorian customers</b>	<b>5</b>
<b>Energy market offers</b>	<b>6</b>
<b>Update to the Victorian Default Offer</b>	<b>10</b>
<b>Newly licensed energy companies</b>	<b>12</b>
<b>Disconnections for non-payment</b>	<b>14</b>
<b>Compliance with the energy rules</b>	<b>16</b>
<b>Recent changes to the energy rules</b>	<b>23</b>

## Results from our campaign on energy rights for Victorian customers

### Awareness of energy rights on the rise

We have been actively raising the awareness of the rights of energy customers during the coronavirus pandemic. During this campaign, we used a strategy of advertising in shopping centres, newspapers, radio, social media and catch-up TV.

Our latest campaign, 'It's Your Energy', ran from 15 November to 19 December 2020, with a particular focus on Victorians affected by the pandemic.

In this third campaign of the series, we found:

- 40 per cent of energy customers who responded to our survey were aware that retailers must inform them if they could get a better deal, an increase of six per cent
- Six out of ten energy customers who saw our campaign ended up contacting their energy retailer.
- Our social media campaign resonated strongly, with 175,000 Victorians seeing our message via Facebook.

The campaign featured four customers who represented groups hard-hit by the coronavirus lockdowns including hospitality and retail workers, regional tourism operators and office workers.

One of the ads featured in the 2020 'It's your energy' campaign.



## Energy market offers

We regularly analyse the price of energy offers published by retailers. These prices may not be what customers currently pay but reflect the energy offers retailers make available for customers to switch.

### **Current electricity prices are six per cent cheaper reflecting lower costs**

Our review of energy retailer offers, published on 30 June 2020 and 31 January 2021, shows substantial reductions in electricity and gas prices.

As an example, we reviewed the market offers within the CitiPower network which covers Melbourne's CBD and inner suburbs. A large proportion (83 per cent) of market offers have no discounts, giving customers price certainty. The median cost of these offers decreased by six per cent.

Seven per cent of electricity market offers are market offers with conditional discounts, compared to a year ago where one in three market offers had conditional discounts.

This is a welcome sign of simpler and fairer energy contracts for Victorian energy customers, as it follows the new rules we introduced from 1 July 2020, including a cap on pay-on-time discounts<sup>1</sup>.

If a customer has an electricity contract with discounts, in this network, the cost of missing the discount conditions is now one per cent lower than in June 2020.

Although these results are for Melbourne CBD and inner suburbs, the decrease in prices for electricity has been consistent across all distribution zones for Victoria.

From 1 July 2020, the size of pay on time discounts a retailer can offer on new contracts, for electricity and gas, is capped at 3.62 per cent.

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<sup>1</sup> For more information visit: <https://www.esc.vic.gov.au/electricity-and-gas/inquiries-studies-and-reviews/electricity-and-gas-retail-markets-review-implementation-2018/ensuring-contracts-are-clear-and-fair-2019>

**Figure 1 - Residential median customer annual bill estimates for electricity offers**

	Electricity median prices (CitiPower only)	
	30 June 2020	31 January 2021
Victorian Default Offer	\$1,420	\$1,270
(% change from 30 June 2020)		↓ 11%
<b>Market offers with no discount conditions</b>		
No discount offers	\$1,277	\$1,202
(% change from 30 June 2020)		↓ 6%
Guaranteed discounted market offer	\$1,292	\$1,132
(% change from 30 June 2020)		↓ 12%
<b>Conditional market offers</b>		
Discount market offers (conditional discounts applied)	\$1,268	\$1,266
(% change from 30 June 2020)		0%
Discount market offers (all discounts not applied)	\$1,420	\$1,406
(% change from 30 June 2020)		↓ 1%

These figures represent the median prices for CitiPower. Estimates are based on a typical residential customer using 4,000 kWh per year for generally available electricity offers (excluding offers with controlled loads). Conditional discounts can include paying on time and direct debit options. Figures include GST.

## **Gas prices are now four per cent cheaper**

Gas prices have followed a similar positive trend to electricity.

As an example, we reviewed the market offers within the Australia Gas Network Central area, which covers Melbourne's CBD and inner suburbs. A large proportion of market offers (74 per cent) have no discounts. The median cost of these offers has decreased by four per cent.

This indicates that Victorian energy customers are being offered simpler and fairer products.

Over this same period, standing offer prices decreased by five per cent.

At the end of January 2021, 15 per cent of gas market offers were market offers with conditional discounts, compared to a year ago where more than one in three market offers had conditional discounts.

The cost of missing discount conditions is now 17 per cent lower than in June 2020.

Although these results are for Melbourne CBD and inner suburbs, the decrease in prices for gas has been consistent across all distribution zones for Victoria.

**Figure 2 - Residential median customer annual bill estimates for gas offers**

	Gas median prices (AGN Central area only)	
	30 June 2020	31 January 2021
Standard contract offer	\$1,784	\$1,689
(% change from 30 June 2020)		↓ 5%
<b>Market offers with no discount conditions</b>		
No discount offers	\$1,403	\$1,351
(% change from 30 June 2020)		↓ 4%
Guaranteed discounted market offer	\$1,401	\$1,360
(% change from 30 June 2020)		↓ 3%
<b>Conditional market offers</b>		
Discount market offers (conditional discounts applied)	\$1,360	\$1,254
(% change from 30 June 2020)		↓ 8%
Discount market offers (all discounts not applied)	\$1,551	\$1,280
(% change from 30 June 2020)		↓ 17%

These figures represent the median prices for Australian Gas Networks Central area. Estimates are based on a typical residential customer 54.4 GJ per year for generally available gas offers. Figures include GST.

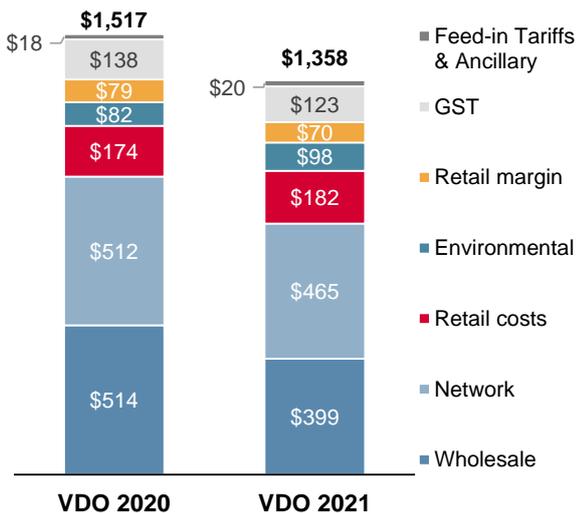
## Update to the Victorian Default Offer

We set the Victorian Default Offer (VDO) each year after assessing the cost involved for retailers to provide electricity to Victorian customers. The VDO limits the prices charged to residential and small business customers on electricity standing offer contracts.

### The VDO is based on efficient costs

Our final decision on electricity VDO prices in November 2020 used largely the same approach as the 2020 VDO price determination.

**Figure 3 - Residential VDO cost stack (average across all zones)**



Estimate is for a typical residential customer averaged across the five distribution zones. The VDO only applies to electricity.

Network and wholesale costs are the largest components of the retailers' costs making up approximately 64 per cent of the total cost

stack (excluding GST), while retail margin and retail costs combined make up approximately 19 per cent (excluding GST).

### VDO prices are lower for 2021

Our decision means Victorian households and small business customers on the VDO will see their annual electricity bills reduced from 1 January 2021.

On average across all distribution zones, the VDO is now 10 per cent or \$159 a year lower for households, and 14 per cent or \$916 a year lower for small businesses<sup>2</sup> in 2021 compared to 2020.

This is mainly driven by forecast decreases in wholesale electricity costs. We also reviewed and updated the other elements of our cost stack (environmental costs, retail costs, network costs and other costs).

Since 1 September 2020, the VDO also applies as a maximum price for all households and most small business customers in embedded networks.

<sup>2</sup> assuming 20,000 kWh usage

You may be in an embedded network if you:

- live in an apartment complex, retirement home or caravan park
- are a tenant in a shopping centre.

### The VDO sits below the median market offer

The VDO is meant to be a reasonably priced electricity option and provide a safeguard for customers unable or unwilling to engage in the electricity retail market. The VDO is on the lower end of median market offers but most customers should be able to access a market offer with better prices.

### Electricity customers on the VDO

At the end of December 2020, more than 170,000 residential electricity customers, or six per cent of the total market were on the VDO. Of these customers, eight per cent had defaulted onto the VDO having not entered into a contract with their retailer (for reasons such as moving into a new home).

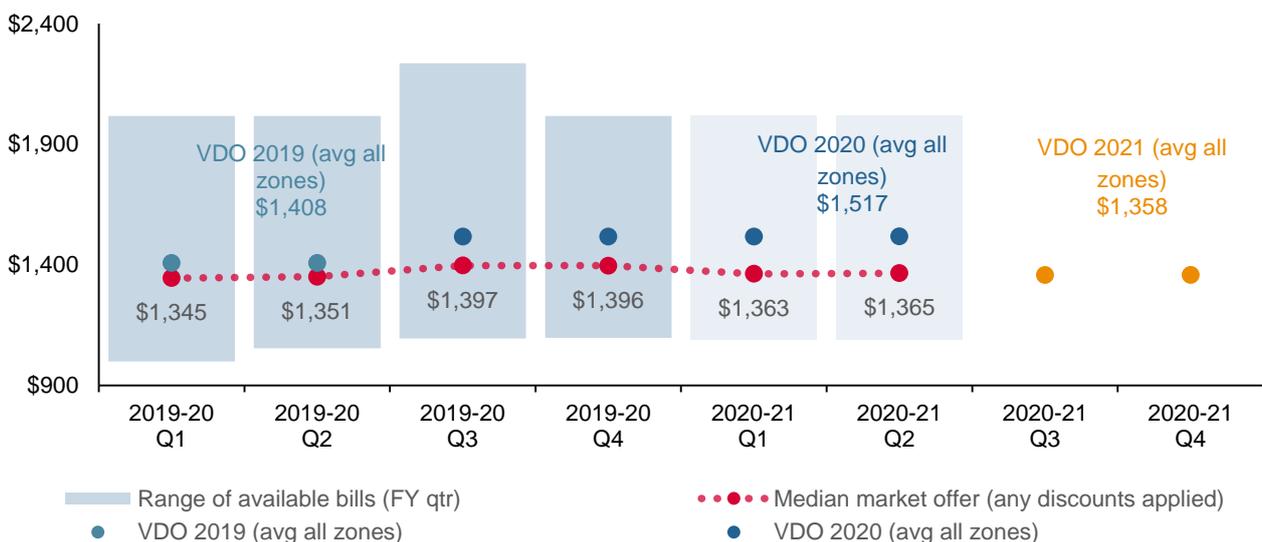
At the end of December 2020, more than 42,000 small business electricity customers were on the VDO (14 per cent), of which 13 per cent had defaulted onto the VDO having not entered into any contract with their retailer.

### Impact of coronavirus on costs

In our 2020 review, we considered the effect of the coronavirus pandemic on retailers' costs. We included an additional amount in the VDO cost stack for bad debts, given the information available to us suggested an increase in bad debts because of the pandemic.

Our expectation is that the additional \$6 allowance for bad debts is temporary, and a specific response to the effects of the coronavirus pandemic and its impact on the economy that will be removed from the VDO 'cost stack' in a future review.

Figure 4 - Residential VDO comparison to market offers by quarter

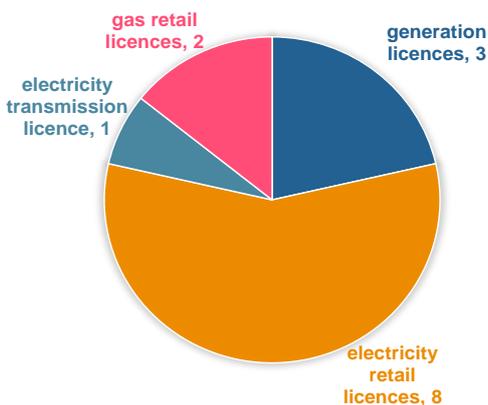


## Newly licensed energy companies

Anyone generating, transmitting, supplying, or selling electricity; or supplying or selling gas to retail customers in Victoria must hold a licence granted by us, or be exempted from this requirement.

From 1 July 2020 to 31 December 2020, we issued 14 new licences.

**Figure 5 - Issued licences (Jul-Dec 2020)**



### New generation licences

We issued generation licences to:

- Berrybank Development Pty Ltd
- Glenrowan Sun Farm Pty Ltd
- Winton Asset Co Pty Ltd.

Together these sites have a combined capacity to generate 414MW.

**Figure 6 - New generation licences**

New generation licences	2017–18	2018–19	2019–20	2020–21*
Number of licences	6	12	6	3
Megawatt (MW)	400	1547	746	414

\*This covers the period July to December 2020.

### New transmission licence

We issued a transmission licence to:

- TransGrid Services Pty Ltd (Berrybank).

### New electricity retail licences

We issued electricity retail licences to:

- Total Gas and Power Australia Pty Ltd
- Discover Energy Pty Ltd
- SmartestEnergy Australia Pty Ltd
- Electricity in a Box Pty Ltd
- Real Utilities Pty Ltd
- CleanTech Energy Pty Ltd
- ReAmped Energy Pty Ltd
- Acacia Energy Pty Ltd.

### New gas retail licences

We issued gas retail licences to:

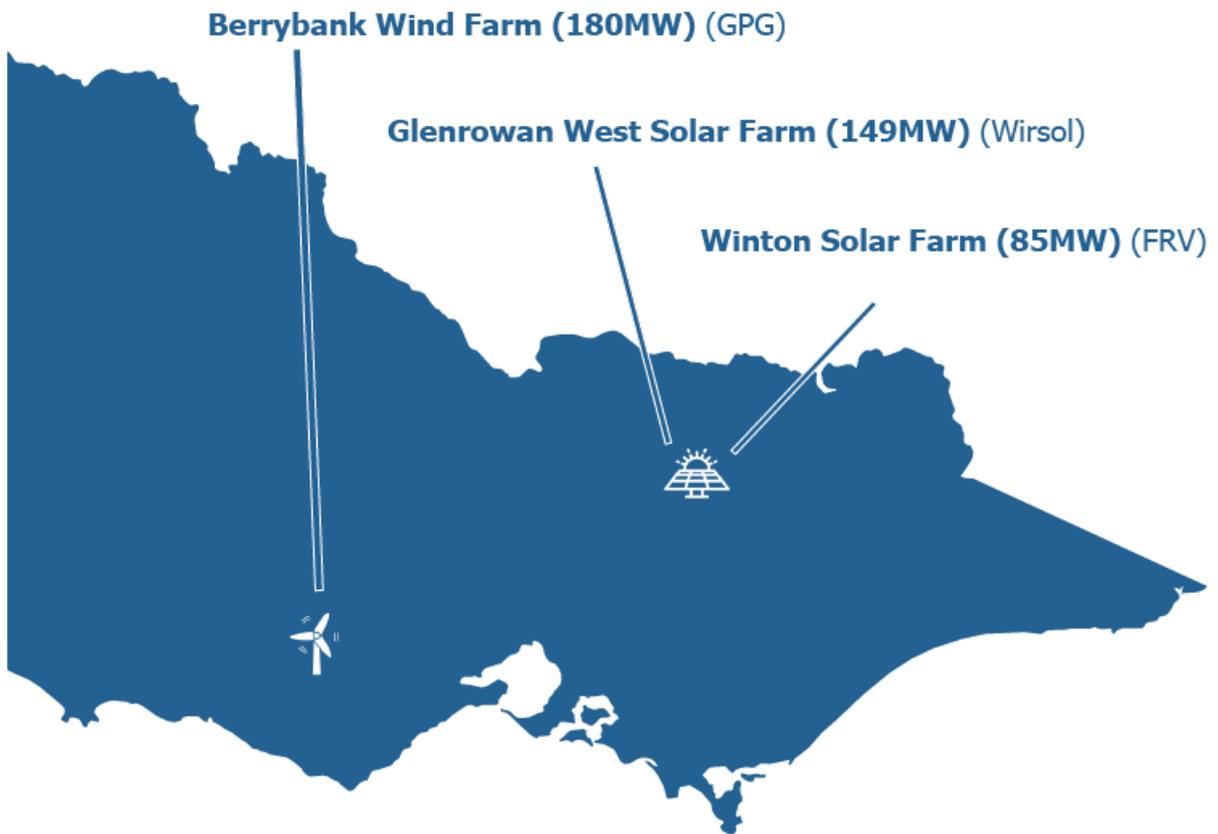
- Discover Energy Pty Ltd
- Real Utilities Pty Ltd.

### New licence applications

Between July 2020 and December 2020, we received applications for new licences from six applicants, including:

- one electricity generation licence
- five electricity retail licences.

Figure 7 - Location of new generation in Victoria: July to December 2020



## Disconnections for non-payment

Under the Victorian energy rules, customers cannot be disconnected if they are receiving assistance from their retailer for payment difficulty.

### **Victorian energy customers were kept connected during the pandemic restrictions, but disconnections have resumed**

In Victoria, government restrictions including ‘stay at home’ orders and industry closures, were in place during the pandemic between April and November 2020. During these restrictions, retailers kept customers connected to their energy supply.<sup>3</sup>

After the lifting of ‘stay at home’ restrictions, 396 residential electricity and 172 residential gas customers were disconnected for non-payment in December 2020 – but this is 4,585 and 2,849 fewer disconnections for electricity and gas respectively, compared to October to December 2019.

We also found that by the end of 2020, 60,686 residential electricity customers were receiving tailored assistance from their retailers to help pay their bills – an increase of two per cent compared to 59,711 customers in July 2020.

The average arrears of residential customers receiving tailored assistance also increased

by seven per cent for electricity and eight per cent for gas compared to July 2020.



#### Disconnections in 2021<sup>3</sup>

In 2021, over two-thousand residential customers have been disconnected for non-payment, as follows:

- In January 2021, 119 electricity and 13 gas residential customers
- In February 2021, 273 electricity and 44 gas residential customers
- In the first three weeks of March 2021, 1,487 electricity and 72 gas residential customers.

Despite improvements in economic conditions in Victoria, we recognise that the community continues to experience vulnerability, mainly due to the pandemic.

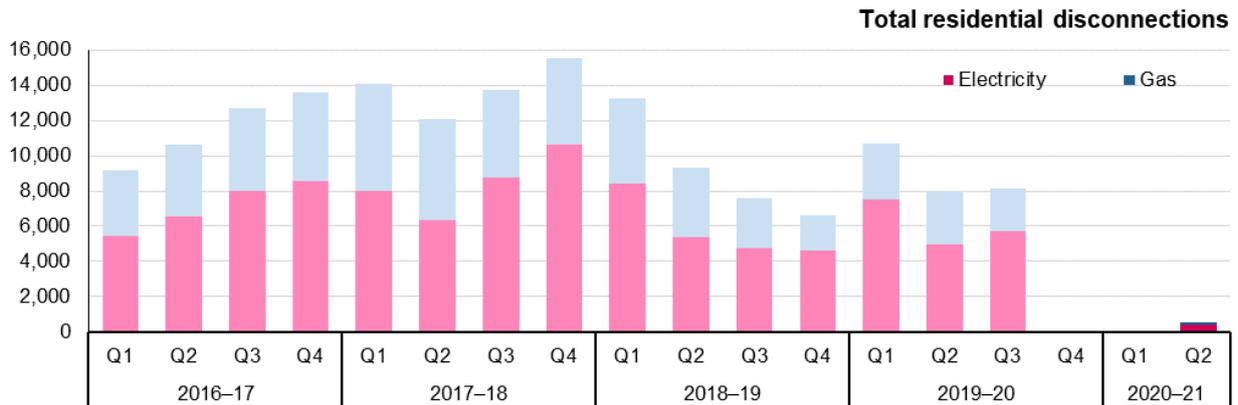
Under the Victorian energy rules, customers receiving payment assistance from their retailer cannot be disconnected. As the pandemic continues, we also expect energy retailers not to disconnect customers who may be in financial stress and in contact with them about their debt during this time.

<sup>3</sup> Note that during this time, only three gas customers were disconnected for non-payment (in August 2020).

<sup>4</sup> This most recent data is provided to us on a voluntary basis – we publish this data on our website each month.

**Figure 8 - Quarterly residential disconnections for non-payment - electricity and gas**

(Data source: Compliance and Performance Reporting Guideline (CPRG) data collection)



**Figure 9 - Quarterly residential disconnections for non-payment - electricity**

Financial year quarter	2016-17	2017-18	2018-19	2019-20	2020-21 <sup>5</sup>
Jul-Sep	5,476	8,036	8,399	7,540	0
Oct-Dec	6,543	6,372	5,363	4,981	396
Jan-Mar	8,010	8,796	4,731	5,690	-
Apr-Jun	8,560	10,620	4,584	5	-
<b>Total (year to date)</b>	<b>28,589</b>	<b>33,824</b>	<b>23,077</b>	<b>18,216</b>	<b>396</b>

**Figure 10 - Quarterly residential disconnections for non-payment - gas**

Financial year quarter	2016-17	2017-18	2018-19	2019-20	2020-21 <sup>5</sup>
Jul-Sep	3,706	6,058	4,821	3,167	3
Oct-Dec	4,092	5,740	3,959	3,021	172
Jan-Mar	4,669	4,911	2,860	2,416	-
Apr-Jun	5,027	4,941	2,012	2	-
<b>Total (year to date)</b>	<b>17,494</b>	<b>21,650</b>	<b>13,652</b>	<b>8,606</b>	<b>175</b>

<sup>5</sup> Disconnections at meter points as defined in version 5 of the Compliance and Reporting Guideline (CPRG)

## Compliance with the energy rules

Licensed energy retailers, distributors, transmitters, and generators operating in Victoria must comply with our energy rules. We regulate the energy market by promoting and enforcing compliance with these rules. When we identify potential breaches of the rules, we act to protect customers and deter future non-compliance.

### **Information on payment assistance and family violence policies was easy to locate on most retailers' websites**

We reviewed 14 of the largest retailers' websites to see if COVID-19 payment assistance information was easy to locate.

We found that most websites included details of how retailers could help customers impacted by the global pandemic.

We also found that retailers' family violence policies were easy to locate and most policies included practical information regarding the assistance available.

We worked closely with two retailers, Dodo and Sumo Energy, to make this important information available on their websites and easy to find.



### **Disconnection and debt collection during the coronavirus pandemic**

In response to the coronavirus pandemic, we have communicated our expectations to retailers and distributors about disconnection and debt collection during a time of financial stress and vulnerability for many customers.

We have established targeted work streams focused on monitoring retailers and distributors disconnection practices and responding to potential breaches of our energy rules.

## **AGL pays \$450,000 for failing to explain undercharged amounts to customers**

The commission issued 30 energy industry penalty notices to AGL, resulting in a total penalty of \$450,000. The penalties relate to the recovery of undercharged amounts from more than six thousand Victorian pensioners and other concession customers as the result of a computer billing error.

AGL sent letters to the affected customers telling them they had been undercharged but with no further explanation. In August and September 2019, AGL sent follow-up bills with additional charges, to recover the accidental undercharging but without explaining the extra costs.

### **Penalties paid after December 2020**

Alinta paid \$1,125,000 in penalties in February 2021.

On 18 December 2020, Alinta Energy was issued 75 penalty notices in relation to conditions they put on vulnerable customers, requiring them to provide financial information before agreeing to set them up on payment plans.

Energy companies are required to help customers who are having payment difficulties without requiring them to disclose personal financial or other information.



Energy retailers are permitted to recover undercharged amounts but must comply with the protections set out in the energy retail code. This includes stating the amount to be recovered as a separate item in a special bill or the next bill, together with an explanation of that amount.

## **Four retailers refunded customers \$52,113 collectively for failing to include best offer messages on bills**

Four retailers, AGL, Powerdirect, Momentum and Energy Locals, informed us that they had not been including best offer messages on bills that is required by our rules.

A best offer message is designed to tell customers that they can save money by switching to a cheaper plan with their existing energy retailer. We are working with these retailers to develop a remediation plan so that customers did not miss out on savings that they would have received if they were sent the correct message and switched to the better offer available.

These four retailers have refunded a total of \$52,113 to 2,314 customers.

## **Five retailers refunded customers \$449,178 collectively for raising incorrect additional retail charges**

We identified that five retailers, EnergyAustralia, AGL, Powerdirect, Next Energy and BlueNRG, were incorrectly charging fees for standing offer and Victorian Default Offer customers. These included fees for paper bills, debit/credit card fees and over-the-counter charges.

Across the five retailers, \$449,178 has been refunded to 75,298 customers who were incorrectly charged these fees.

### **Guidance on fees**

We published a guidance note setting out our expectations about the types of fees that can and cannot be charged for standing offer and Victorian Default Offer customers.

#### **For more information:**

<https://www.esc.vic.gov.au/electricity-and-gas/codes-guidelines-and-policies/energy-retail-code/guidance-note-8-2020-additional-retail-charges-standard-retail-contracts>

## **Summary of referrals by the commission to other regulators**

The commission referred three matters to Consumer Affairs Victoria, between July to December 2020, all in relation to potentially misleading and deceptive conduct by energy retailers in breach of the Australian Consumer Law Victoria.

- M2 Energy regarding the imposition of fees associated with declined automatic deductions.
- People Energy regarding the conduct of sales agents who did not identify themselves adequately to consumers.
- Alinta Energy regarding the provision of information to a customer under the Payment Difficulty Framework.

## **Compulsory information gathering notices**

The commission issued 12 compulsory information gathering notices in relation to our energy compliance work, under section 37 of the Essential Services Commission Act, between July to December 2020.

The notices were issued to retailers and exempt persons, to obtain information and documents in the context of investigations regarding:

- wrongful disconnection
- explicit informed consent
- estimated bills, and
- additional retail charges.

## **Wrongful disconnections**

The Victorian energy rules set out provisions for when a customer can be disconnected from their energy supply. If a retailer does not follow these provisions and wrongfully disconnects a customer, they must report the breach to us and in most cases, also required to compensate the customer.

Between July and December 2020, retailers reported they had wrongfully disconnected 61 customers. These disconnections were not related to customers not paying their bills.

Most of these wrongful disconnection payments related to customers requesting disconnections for a variety of reasons, that were not completed in accordance with their request. For example, customers who arranged an initial disconnection date and then subsequently re-scheduled the date, were still disconnected according to their original request. This occurred because retailer agents failed to cancel the initial date in the system.

Five self-reported wrongful disconnections for non-payment were also finalised during this period, from disconnections that occurred prior to April 2020.

Retailers paid a total of \$44,629 to customers for wrongful disconnections between July and December 2020.

**Figure 11 - Self-reported wrongful disconnections and payments**

Retailer	Amount paid during the quarter		Customers affected	
	Jul – Sep 2020	Oct – Dec 2020	Jul – Sep 2020	Oct – Dec 2020
AGL	-	\$1,097	-	1
Energy Australia	\$488	\$13,844	1	2
Origin Energy	\$685	\$2,317	6	6
Lumo Energy	\$1,505	\$37	1	1
Red Energy	-	\$6,530	-	3
Simply Energy	\$7,435	\$631	5	3
Alinta Energy	\$5,145	-	7	-
Momentum	\$711	\$109	2	2
Powershop Australia	\$756	\$120	4	2
Tango (Pacific Hydro)	\$129	\$2,737	4	7
Sumo Power	\$68	-	2	-
Elysian Energy	-	\$156	-	1
Energy Locals	-	\$130	-	1
<b>Total</b>	<b>\$16,922</b>	<b>\$27,707</b>	<b>32</b>	<b>29</b>

Figures may not add up precisely due to rounding. Excludes wrongful disconnections disputes that were referred to us. Zero payments relate to cases that were resolved with no payment, whereas a '-' is where there were no wrongful disconnections. These payments relate to wrongful disconnections that occurred between August 2018 and December 2020.

## **Wrongful disconnection disputes referred to us by EWOV**

If a customer and their retailer cannot resolve a disconnection dispute, the customer may go to the Energy and Water Ombudsman of Victoria for support. If the Ombudsman and retailer are unable to resolve the issue, the matter may be referred to us.

The commission resolved eight wrongful disconnection cases between July and December 2020. Most cases concerned the requirement to provide timely and clear information about the assistance available under the payment difficulties framework. The commission's review of these cases resulted in the issuing of guidance notes to help industry understand their existing obligations under the energy rules.<sup>6</sup>

The commission determined that customer compensation payments were payable in three cases:

- Origin Energy failed to offer timely and clear advice on available assistance after issuing a disconnection warning notice, and prior to arranging de-energisation. Origin Energy was required to pay \$447 to the customer.
- Origin Energy failed to make reasonable efforts to contact a customer in relation to a disconnection warning notice and failed to offer timely and clear advice on available assistance. Origin Energy was required to pay \$3,789 to the customer.
- EnergyAustralia failed to make reasonable efforts to contact a customer who did not pay a bill, having issued a disconnection warning notice and prior to arranging de-energisation. A customer is entitled to a daily payment amount up to the time of reconnection. In this case, the customer refused reconnection by EnergyAustralia. The Commission decided that EnergyAustralia was required to make a payment up until the date that the customer refused reconnection. EnergyAustralia was required to pay \$13,789.

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<sup>6</sup> <https://www.esc.vic.gov.au/electricity-and-gas/codes-guidelines-and-policies/energy-retail-code/guidance-note-2-2020-clear-and-unambiguous-information-or-advice-residential-customers-anticipating>

**Figure 12 - Wrongful disconnection payment cases referred to the commission between July 2020 and December 2020**

Retailers	Topic of dispute	Outcome	Total compensation amount
EnergyAustralia	Entitlement to compensation after a customer refused reconnection.	Wrongful	\$13,789
Sumo Power	Alleged failure to provide clear and unambiguous advice about payment assistance available.	Not Wrongful	-
Momentum Energy	Alleged failure to provide clear and unambiguous advice about payment assistance available.	Not Wrongful	-
Origin Energy	Alleged failure to provide clear and unambiguous advice about payment assistance available.	Wrongful	\$447
Origin Energy	Alleged failure to provide clear and unambiguous advice about payment assistance available.	Wrongful	\$3,789
Origin Energy	Alleged failure to provide clear and unambiguous advice about payment assistance available.	Not Wrongful	-
Lumo Energy	Alleged failure to provide clear and unambiguous advice about payment assistance available.	Not Wrongful	-
Simply Energy	Failure to de-energise premises in accordance with customer's request.	Wrongful but not payable	-

Figures are based on wrongful disconnection payment cases referred by the Energy and Water Ombudsman of Victoria

## Recent changes to the energy rules

We make sure the rules and regulations in the energy industry promote the long-term interests of consumers.

### **Clear and fair contract periods, practices and variations**

From 1 July 2020, new rules were introduced to ensure that contract periods, practices and variations are clear and fair for customers.

These new rules mean that:

- customers can be confident their retailer will only be allowed to increase their prices once per year
- customers signing up to an offer after 1 July 2020 will receive the discount, credit or rebate for the entire duration of their contract
- customers will be able to easily compare offers in the market, as retailers must advertise electricity prices with reference to the Victorian Default Offer
- customers who miss a bill due date will not face a large increase in costs as pay-on-time discounts on new contracts are capped at a level set by the commission (currently set at 3.62 per cent)
- customers who are receiving tailored assistance can expect their retailer to honour pay-on-time discounts if they miss a bill's due date
- customers on fixed-term electricity contracts who do not choose another offer at the end of their contract can expect their retailer to roll them onto the Victorian Default Offer.

Since the introduction of these rules, we have observed an increase in offers with no discounts or with guaranteed discounts. This is a welcome sign of simpler and fairer energy contracts for Victorian energy customers.

### **Coronavirus pandemic support**

We introduced targeted reforms in response to the coronavirus pandemic to support residential and small business customers with paying their energy bills.

These reforms mean that from 1 October 2020:

- residential customers can expect their retailer to support them in completing utility relief grant applications, including on the phone – this is a permanent change to the energy rules
- all residential customers receiving tailored assistance, regardless of their ability to afford the ongoing cost of energy, can expect their retailer to conduct a tariff check for them to see if they are on the best energy deal with their retailer – currently a temporary reform for six months
- small businesses that are experiencing financial stress can expect their retailer to provide reasonable assistance – currently a temporary reform for six months.

## **New maximum price for embedded networks**

From 1 September 2020, the new maximum price for all households and most businesses in embedded networks has been set at equivalent Victorian Default Offer prices.

We expect that this will mean residential embedded network customers with average usage could save between \$180 to \$360 annually, while small businesses could save between \$900 to \$2,200 per year.

## **Changes to back-billing**

From 1 January 2021, customers cannot be back-billed for more than four months when they are not at fault. Previously, customers could be back-billed up to nine months if they had been undercharged, unless the customer was at fault.

## **Customer protections in the Electricity Distribution Code**

We have introduced new rules to improve the customer protection framework relating to planned electricity interruptions and distributor service level payments. From 1 July 2021, customers can expect:

- more efficient communication with their distributor, including the ability to choose to receive planned outage notices via text message or email
- better information about the reasons for planned interruptions and cancelled works
- to be notified if a planned interruption is cancelled in many circumstances

- increased payments for poor service from their distributor such as unplanned interruptions and delayed new connections
- more timely payments for poor service – most payments will be made quarterly instead of annually.

### **Improving the timelines of electricity connections**



In October 2020, we directed electricity distribution businesses to engage with property developers and their contractors to create a new customer service standard. The standard aims to improve the timeliness of negotiated connections of new residential developments in greenfield areas.

Distributors will be required to report on their performance from 2021.

### **Review of compliance and performance reporting requirements of energy businesses**

We are reviewing the requirements of energy businesses to report to us on performance and where possible non-compliance has occurred.

Our revised guideline will include amendments to account for recent changes to the energy rules. These proposed changes will be shared with stakeholders for feedback.

We are proposing the new guideline to take effect from mid-to-late 2021.