

5 February 2019

Dr Ron Ben-David
Chair
Essential Services Commission
Level 37, 2 Lonsdale St
Melbourne, VIC, 3000

Lodged electronically: RetailEnergyReview@esc.vic.gov.au

Dear Dr Ben-David



EnergyAustralia

LIGHT THE WAY

EnergyAustralia Pty Ltd
ABN 99 086 014 968

Level 33
385 Bourke Street
Melbourne Victoria 3000

Phone +61 3 8628 1000
Facsimile +61 3 8628 1050

enq@energyaustralia.com.au
energyaustralia.com.au

ESC – Helping customers engage confidently – draft decision

EnergyAustralia welcomes the opportunity to make this submission to the Essential Services Commission's (ESC's) draft decision to help customers engage confidently in the retail energy market.

We are one of Australia's largest energy companies, providing gas and electricity to around 2.6 million household and business customer accounts in New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory. In Victoria, we provide gas and electricity to around 20 percent of households.

We also service 15 per cent of small business electricity needs and 19 per cent of their gas needs. We are the only major vertically integrated energy retailer based in Victoria. We have 2000 employees at the Yallourn power station and mine in the Latrobe Valley and contact centre and head office staff located in metropolitan and CBD locations.

EnergyAustralia supports the ESC's objective to streamline the current information disclosure requirements through a new Victorian energy factsheet. We see real benefits to customers in increasing transparency of retail market offers so customers can assess and compare offers with confidence.

We also support the Department of Energy, Land, Water and Planning (DELWP) having the responsibility for creating the new energy factsheets via the Victorian Energy Compare website. The success of the new energy factsheets will be highly dependent on the functionality and visibility of Victorian Energy Compare. Accordingly, we encourage the ESC to work closely with DELWP to ensure it has the information needed, in a timely manner, to deliver these requirements.

1. Implementation

In order to ensure the ESC's objectives are achieved and that customers can realise the benefits of the proposal it is imperative that the ESC consult on the draft Code amendments. The draft decision does not provide sufficient guidance on what will be required of retailers and where responsibilities will land. This is a concern for EnergyAustralia as the ESC proposes that the final decision and Code amendments will be made in March 2019. Given the potential complexities that could arise from

translating the draft decision into Code there is a risk of unintended consequences or impracticalities if due consideration isn't given.

Additionally, the new Victorian energy factsheets are proposed to commence from 1 July 2019. A number of other regulatory changes are also to take effect from 1 July 2019 (including the Victorian Default Offer, the 'best offer' and clear advice entitlement and bill change notices). This amount of regulatory change has real impacts on training our front of house staff to be able to explain these new changes and our IT system changes which require planning, coding and scheduling.

As such, we encourage the ESC to consider a transitional arrangement of 3 to 4 months from 1 July 2019 so retailers, and DELWP, have sufficient time to implement the changes effectively and provide time for comprehensive user testing.

In addition, third party providers may need additional time to manage these new requirements for multiple retailers.

2. Victorian energy factsheet

We support the new Victorian energy factsheets replacing the price and product information statements. EnergyAustralia considers the AER's basic plan information document summarises important contract information in a clear and simple manner and we welcome the adoption of this format in Victoria.

We also recommend the ESC remove the need for retailers to provide an offer summary. We consider that the new energy factsheets meet this requirement and will provide a better customer experience than the current offer summary documents. We agree with the ESC that current information requirements contained in Division 10 of the Code are sufficient and the AER's more detailed product information tool is not required.

Aligning customer usage profiles

The ESC is proposing to include a comparison mechanism in the new factsheets. This will align with the AER's methodology for calculating typical usage profiles. EnergyAustralia supports this approach. However, we consider that the factsheets should only be available for residential customers. Given the vast differences in small business and their usage profiles it would be challenging to include a comparison tool for small business, particularly as the AER does not currently produce usage profiles for small business.

Identifying factsheets

Noting that Victorian Energy Compare already creates unique offer IDs for each plan, we support the continued use of unique offer IDs. We do not support the use of plan names as a unique identifier as we have plans with the same name but different distribution tariffs.

Uploading information to Victorian Energy Compare

EnergyAustralia supports harmonisation with the national framework and is comfortable with offers being uploaded into the retailer portal of Victorian Energy Compare within two days of being published.

3. Consultation on technical matters

We encourage the ESV to work with DELWP to ensure the practical solutions are found for technical and early identification of potential implementation issues. We support the retailer portal being the most appropriate avenue for retailers to submit plan details and Victorian Energy Compare having the function to extract these as a PDF in the appropriate format.

Victorian Energy Compare should also hold the URL for each plan in the retailer portal. This means retailers can access the relevant plans or bulk download them from the retailer portal. EnergyAustralia does not support retailers having to host the PDF and - given the amount of system changes required to implement other retail energy market obligations by 1 July 2019 - we would not be able to achieve this by the same date.

4. Customer own meter read provisions

EnergyAustralia supports the proposal to adopt the AEMC's recent rule determination for estimated meter reads. Any provisions introduced by the ESC should continue to only apply to accumulation meters (i.e. Type 6 electricity meters and gas meters). Asking customers to provide meter reads for interval electricity meters introduces complexity. For example, a customer can retrieve index reads only from their smart or interval meter by pressing a button on the outside of the meter. The meter then cycles through as many as 6 screens. There is a risk that the customer may provide the wrong date without realising it.

Many meters are readily accessible, but we have had recent incidents where customers have gone to look inside their meter boxes, or behind the meter board and sent us photos showing dangerous wiring. Due to safety concerns for the customer, EnergyAustralia's policy is not to request or recommend customers to access their meter. We leave it open to customers to access their meter if they are comfortable to do so, but we are careful not to normalise or suggest this in a way that might encourage them to take unsafe actions.

5. Summary

EnergyAustralia supports the ESC's intention to improve the ability of customers to identify and compare all available market offers. We are encouraged by the ESC's approach to align the new Victorian energy factsheets with the national framework. We also recommend that the ESC continue to consult and provide industry with more guidance on the design and practical implications of the new factsheets.

EnergyAustralia would be happy to meet with the ESC to discuss how this new obligation can best deliver the intentions of the ESC.

If you would like to discuss this submission, please contact Carmel Forbes on [REDACTED].

Regards

Sarah Ogilvie

Industry Regulation Leader