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By email: marketperformance@aer.gov.au

Dear Mr Fox and colleagues

Retail Guidelines review - issues paper submission

Energy Locals Pty Ltd (ACN 606 408 879) and its related entity, Energy Trade Pty Ltd (ACN 165 688 568) (**Energy Locals**), welcome the opportunity to provide a submission to the Australian Energy Regulator (**AER**) in relation to the Retail Performance Reporting Guidelines Review.

1. Introduction

Energy Locals is an authorised electricity and gas retailer that supports customers directly as well as via partnerships with newcomers to the energy retail sector, such as RACV, Indigo Power, IO Energy, Tesla and others. A retail gas offer has not yet been launched. We also have extensive expertise in the implementation and management of embedded networks, which include electricity, gas, hot water, solar PV, electric vehicle charging, battery storage and telecommunications.

Energy Locals welcomes the review that is being conducted on the AER (Retail Law) Performance Reporting Procedures and Guidelines and the opportunity to contribute and provide feedback on our insights, suggestions, and concerns related to the proposed changes.

2. Implementation timing

Our organisation utilises multiple customer relationship management systems to manage the complexity associated with running multiple types of energy product in the market. We anticipate that aligning these systems with the outcomes of this review may have a substantial impact and extremely challenging in the proposed six-month implementation timeline. This work will consist of updating our systems and operational processes to ensure we report accurate data for modified and new indicators. We would ask that the AER considers these impacts when deciding on the implementation timeline.

3. New potential indicators

Energy Locals agrees that the AER should introduce dedicated indicators related to embedded networks, family violence, and life support to improve transparency concerning these customer groups and aid the AER to assess the appropriateness and efficacy of policies and retailer strategies. Nevertheless, we recommend a cautious approach while introducing new indicators, as it could potentially impose a heavier reporting burden on energy retailers.

Embedded Network Customers

We support the inclusion of specific indicators focused on embedded network customers to facilitate targeted and customised support measures. This aligns with our commitment to upholding the rights and protections of all energy consumers, ensuring that their interests are safeguarded. By providing the AER with specific insights into customers within these networks, we can support the AER's objective of increasing transparency and customer access to fair and equitable access to energy.

In our capacity as an embedded network operator, we have encountered several challenges arising from the current framework. Notably, customers' limited access to state government services, such as concession schemes and financial assistance, remains a major concern for these customers.

Additionally, we recognise that not all embedded network operators operate equally. While Energy Locals endeavours to provide all our customers with the same rights and protections regardless of where they live, we believe that more focused reporting will provide the AER with insights to help shift the policy framework.

To support the earlier points and complement the suggested modifications by the AER, we propose adding specific indicators for the number of new connections complete, and complaint statistics.

Family Violence Affected Customers

Energy Locals shares the AER's objective of protecting the interests of vulnerable consumers and agrees that family violence should be prioritised in retailer reporting obligations. By bringing family violence to the forefront of reporting, we can gain valuable insights into the impact and effectiveness of the new family violence regulations introduced by the AER.

We request further clarification regarding the third metric: *"Total number of customers identified as no longer affected by family violence during the reporting period."*

According to the National Energy Retail Rules Part 3, Section 76C(c), we are bound to provide a secure process that safeguards affected customers from disclosing their experience of family violence. Introducing a performance metric to measure customers who are no longer affected may inadvertently create an operational environment that could encourage a breach of this rule. To clarify, we are specifically concerned about the requirement to define scenarios where an

affected customer is to be considered as no longer experiencing family violence, the potential encouragement to remove the family violence flag through the metric, and the possibility of confusion which could lead to a breach of rule 76C(c). Given the subjective nature of this metric, our view is that reporting the total number of affected customers would be more appropriate.

4. Refining Current Indicators

Energy Locals welcomes the plan to refine existing indicators to enhance clarity. A consistent and clear reporting framework is essential for retailers to understand and meet their obligations. We therefore strongly support this review to ensure that indicators are structured in a way that removes ambiguity and the associated need for interpretation by retailers.

We have provided more detailed responses to specific areas of refinement below.

a) Data Validation

We fully support the inclusion of an explicit note in the revised Guidelines, specifying that indicators with subcategories will have comparable totals. This measure will undoubtedly contribute to improved consistency across reported data.

Some of the current indicators are open to interpretation and may be causing variations in reporting across retailers and we believe this proposed update is a positive step towards enhancing the performance reporting framework.

b) Debt indicators

We understand that the aim of these proposed changes is to gain a better understanding of how retailers are supporting customers facing payment difficulties. We agree that the addition of an average debt measure alongside indicators such as debts at the time of disconnection, customers referred to external credit collection agencies and fortnightly amounts that customers are paying on payment plans is a positive step to identify opportunities to further assist customers in managing their energy debts and to avoid disconnection.

We seek further clarification on the indicators related to 'repaying an energy debt' and ask that the AER provides a precise definition of these indicators. Some of the questions we have considered while trying to understand them include:

- Should the indicator include any customer who has missed the due date of an energy bill?
- Should the indicator include customers on payment plans, excluding those facing financial hardship?
- Should the indicator cover any customer with an outstanding balance who made a payment after the bill due date?

c) Call centre indicators

Energy Locals acknowledges that the energy market is evolving, and customer preferences for communication channels are changing. We question whether the

effort associated with more granular reporting in this area will be valuable given the AER's focus on more meaningful metrics (eg customer hardship) though.

d) Complaint indicators

We propose refining some of the existing complaint indicators related to metering contestability to include all metering installation types, but consolidating other categories so there is still data captured to track any complaints directly related to metering contestability.

The detailed metering contestability data across multiple complaint categories included as a part of performance reporting was suitable in the aftermath of Power of Choice. However, we no longer believe it is relevant in its current form. Instead, we would encourage the AER to review the cost of smart meter services outside Victoria compared to those within Victoria.

Consolidating categories so that all metering installation types are captured under one indicator will help to gain a comprehensive understanding of customer complaints by ensuring that issues with other metering types are not grouped under a general billing category when the root cause may lie elsewhere. For instance, we often encounter complaints related to meter data and read quality across all meter types, as well as costs associated with metering services that are not specific to installing smart meters. By establishing a distinct category for metering complaints across all installation types, we can more accurately reflect the underlying concerns of customers.

e) Hardship indicators

We request that the AER provides clarity on S4.15: this indicator requires data to be provided for any customers within the previous 12 months. It is currently unclear whether retailers should be going back 12 months from the first or last calendar day of the current reporting period, or from the date of the disconnection itself.

f) Disconnection and reconnection indicators

We request clarification on indicator S3.38: the information provided in the reporting template and the specification file give two different definitions for this indicator. The report requests data on customers who have been reconnected, regardless of their date of disconnection, but the specification file lacks any mention of the date of disconnection. Additionally, the report does not specify whether the reconnection must be in the same name, while the specification file includes this requirement. This is important as we often find reconnections take place under the name of a new occupier.

5. Frequency and granularity of data

We agree that where possible better alignment with the frequency adopted by the Essential Services Commission will improve reporting efficiency, however, we would need to gain a better understanding of the type of granular data that is being requested before we can provide further feedback on any potential impact of this change.

A shift toward granular data collection raises several concerns, particularly in terms of the complexity of data reporting and the burden it may place on retailer systems. Reporting on metrics such as distributor or postcode could be provided relatively easily but reporting data at a more detailed level, such as by regional areas, would require significant modifications to our existing reporting and potentially data capture mechanisms, and may result in increased costs for retailers due to the complexity regarding postcodes and jurisdictional boundaries.

6. Revised format

We support the proposed change in format and agree that this will improve our ability to provide the required data for quarterly performance reporting in the future. However, the initial effort to make the changes with the added complexity of multiple customer management systems to modify is significant. We would ask that the AER consider a longer implementation period for retailers due to the significant structural changes required to modify our data collection to support this format change.

7. Submission Process

Energy Locals currently uses the AER portal for submitting performance data and we intend to maintain this practice due to the ability to view a comprehensive overview of past submissions for easy reference. The portal enables real-time updates on the status of submissions, including receipt confirmation and processing progress and ensures the protection of sensitive information during transmission.

We recommend keeping email as a fail-safe measure in case the portal becomes inaccessible for any reason in order to maintain compliance with reporting deadlines.

We would like to take this opportunity to thank the AER for the opportunity to provide this submission.

Yours sincerely,



Adrian Merrick
Chief Executive Officer
Energy Locals Pty Ltd