



Mr Daniel Harding  
A/General Manager, Market Performance  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

19 March 2024

To Mr Harding,

### **AER (Retail Law) Performance Reporting Procedures and Guidelines – Draft Instrument**

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the Australian Energy Regulator (AER) in response to the draft *AER (Retail Law) Performance Reporting Procedures and Guidelines* (Guidelines).

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE operates an asset fleet which includes renewables, gas-powered generation, diesel peakers, and battery energy storage systems. ENGIE also owns Simply Energy which provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

While ENGIE is broadly comfortable with the AER's proposed amendments to the Guidelines, we are concerned that a 1 January 2025 implementation date would not provide sufficient time for the necessary updates to our systems (including testing and validating the new indicators). Our preference would be an implementation date of 1 July 2025.

#### **New indicators**

ENGIE is comfortable with the AER's new indicators covering life support customers and customers affected by family violence. We will be able to report on the indicators set out in the draft Guidelines.

#### **Refinements to current indicators**

#### **Clarifying definitions**

ENGIE supports the AER clarifying definitions within the Guidelines and considers that the amendments proposed would reduce ambiguity.

### **Data validation**

ENGIE supports the introduction of data validation requirements.

### **Debt indicators**

ENGIE is pleased that the AER has not progressed with the requirement to report on 0-day debt metrics. As noted in our previous submission, this data would capture customers that are not experiencing payment difficulties and would be too noisy to provide any useful insights. ENGIE supports the refinements to debt indicators that have been set out in the draft Guidelines.

### **Tariff and meter types**

ENGIE supports the AER collecting data on the underlying network tariff structures for customers receiving flat and block retails tariffs to understand how network tariffs are being passed on through retail tariffs. These metrics may provide useful information on whether customers are able to respond to cost-reflective price signals.

However, ENGIE does not agree that the benefits of introducing metrics on meter types would outweigh the implementation costs incurred by industry and consumers. As a mandated smart meter rollout will commence in 2025, there will likely be limited scope for retailers to incentivise and encourage the take-up of smart meters beyond the obligated replacement schedules. Insights on the meter types in the system and the movement of electricity customers from older meters to smart meters are more appropriately considered as part of the mandated smart meter rollout and associated compliance and reporting obligations.

### **Energy concessions**

ENGIE supports the AER's proposal to not change the existing energy concession indicators. As noted in our previous submission, a retailer would only know that a customer is entitled to receive energy concessions if the customer has applied and has been approved for an energy concession.

### **Call centre indicators**

In relation to the proposed new indicator related to customer contacts made through online channels, we are concerned that this measure as currently defined would result in double-counting of customer contacts. For example, customers may begin an interaction with their retailer through an online channel and continue the interaction via the telephone. We also note that a customer may continue their online interactions with their retailer over a period of time, making it challenging to determine what constitutes a single 'contact' for the purpose of this indicator.

We also note that it can be difficult to differentiate between contacts received directly from customers and those received from other website visitors (for example, prospective customers), particularly for communications via online chat services.

Due to the difficulties in accurately recording and producing this data, and the likely inconsistencies between how different retailers may record this data, our preference would be that this new indicator is

not introduced. If the AER intends to include this additional indicator, we urge the AER to provide more clarity in the definition to ensure that there is no risk of double counting customer contacts.

### **Complaint indicators**

ENGIE notes that the introduction of these detailed billing complaint subcategories would create some operational challenges for our call centre agents, particularly where a customer's complaint relates to multiple billing-related issues. We are also concerned with the proposed description of some of the subcategories, which may infer retailer non-compliance. We urge the AER to review the billing subcategory descriptions to remove language that may imply an omission or error on part of the retailer if they record values against the subcategory. For example, our preference would be that the subcategory titled 'failure to provide advance notice of changes to price and benefits' be amended to 'notices of changes to price and benefits'. This amendment would also ensure that this indicator captures any customer complaints related to a notice the customer has or has not received.

In relation to the proposed new indicator S3.15 (Complaints – non-smart meters), it was not clear to us the type of complaints the AER intends to be recorded here. We note that any complaints related to inaccuracy of the readings from a non-smart meter (or billing issues related to estimated reads) would be captured in the billing complaints indicator. If this indicator is required, we would appreciate if the AER could update the associated description so that it is very specific about the types of complaints that should be recorded.

### **Other refinements**

ENGIE does not support the inclusion of indicators related to the use of 'buy now pay later' (BNPL) services. ENGIE does not have visibility of a customer's usage of these services (for example, BNPL services provided by PayPal and Australian banks) and could not feasibly report against those indicators.

### **Frequency and granularity of data**

While ENGIE is comfortable with reporting on select indicators on a distribution-network level, our main concern with this proposal is the significant increase in the volume of data that would be produced and the additional time and resources required to produce and validate this data. To accommodate this reform, we would urge the AER to provide retailers with additional time to prepare and submit their retail performance reports going forward.

### **Other changes**

ENGIE supports the removal of indicator S3.38.

## Concluding remarks

Should you have any queries in relation to this submission please do not hesitate to contact me on, telephone, 0436 929 403.

Yours sincerely,

*Matthew Giampiccolo*

**Matthew Giampiccolo**

Manager, Regulation and Policy  
ENGIE Australia & New Zealand