21 February 2018

Ms Sarah Proudfoot
GM Retail Markets Branch
Australian Energy Regulator
By email: MarketPerformance@aer.gov.au

Dear Ms Proudfoot

Submission to amended Australian Energy Regulator (Retail) Performance Reporting Guidelines

Aurora Energy welcomes the opportunity to provide feedback on the proposed amendments to the Australian Energy Regulator's (Retail) Performance Reporting Procedures and Guidelines (Guidelines). As a stand-alone retailer for 279,636 Tasmanian residential and business customers, Aurora Energy has an on-going commitment to deliver valued customer outcomes and a high level of compliance with National Energy Retail Law (NERL).

Aurora Energy recognises that the AER is currently responding to a wider policy agenda with respect to the operation of the retail electricity market, designed to improve customer outcomes. In this context, the AER's review of the Guidelines is appropriate and timely. Aurora Energy is supportive of appropriate information collection to support specific policy objectives. Despite this, Aurora Energy would like to note its concerns with the amended Guidelines proposed by the AER.

It is Aurora Energy's view that the amended Guidelines will significantly increase the regulatory reporting burden on retailers with limited customer benefit. It does this by:

- expanding the volume of reporting required by the Guidelines, with the number of indicators almost doubling;
- capturing information not explicitly covered by the National Energy Retail Rules (NERR) or covered by other legislative frameworks (for example, indicators relating to privacy, solar customers and former customers engaged with external debt collection agencies); and
- compressing the time provided for financial year-end reporting.

The introduction of new indicators requires investment in customer care, billing and management processes and systems and can take many months to implement. In Aurora Energy's case, the cost associated with implementation of the amended Guideline is expected to be significant and require use of resources that are currently constrained by the implementation of other regulatory reform initiatives. The increased implementation and on-going costs are disproportionally large for small retailers and divert scarce resources from delivering priority customer-facing initiatives.

As such, Aurora Energy urges the AER to consider the justification and expected net benefit for the additional indicators proposed in the amended Guidelines. In particular, Aurora Energy suggests the AER consider other:

- targeted methods for information capture outside the formal Guidelines;
- regulatory regimes that may already capture the additional information proposed to be included in the Guidelines; and
- options for staged or delayed implementation of the amended Guidelines, which may include a moratorium on particular indicators or a voluntary reporting period.

Aurora Energy offers to work with the AER to explore these options in more detail. With respect to the specifics of the new indicators proposed within the amended Guidelines, Aurora Energy has identified clarifying questions and suggestions which are attached to this submission. Aurora Energy is also happy to liaise further with the AER to substantiate the business impacts of the amended Guidelines.

Based on the amended Guidelines as published by the AER and the current workload arising from market reform more broadly, Aurora Energy's ability to meet the new indicators during the 2018-19 reporting period is at high risk. Following the release of the final Guidelines and confirmation of the commencement of their application date, Aurora Energy will contact the AER to report on its ability to comply with the amended Guidelines and any options for staged commencement.

If you have any questions regarding this submission please contact Hayden Moore at hayden.moore@auroraenergy.com.au

Yours sincerely

Rebecca Kardos
Chief Executive Officer

Enclosure:
Attachment 1