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Submitted by email to [MarketPerformance@aer.gov.au](mailto:MarketPerformance@aer.gov.au)

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### **Review of AER (Retail Law) Performance Reporting Procedures and Guidelines**

The Australian Energy Council (AEC) welcomes the opportunity to make a submission to the Australian Energy Regulator's (AER) consultation on the *AER (Retail Law) Performance Reporting Procedures and Guidelines* (the Guidelines).

The AEC is the industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

The AER's review of the Guideline comes at a time of significant policy reform in retail electricity market. The AEC and its members continue to lead and support key reform initiatives, which are designed to ensure customers are empowered to engage in the energy market to best manage their energy needs. Despite supporting the policy reform imperative, the AEC would like to note a number of concerns with the regulatory reporting requirements as proposed within the amended Guidelines.

The amended Guidelines represent a significant expansion of scope and level of detail which will increase the regulatory reporting burden on retailers. Given that this will have a cost associated with it, we submit that the AER ensures that there is sufficient net benefit to justify the additional reporting requirements in all cases. This includes assessing:

- other targeted methods to collect data outside formal Performance Reporting Guidelines (AEC members would be happy to consult on these options);
- other methods to achieve regulatory assurance over certain issues (for example, the AER hardship audit programs that are already underway but not yet complete); and
- duplicate legislative and regulatory frameworks (for example, the *Privacy Act 1998* and State Government collection of customer solar information), as well as potential to align reporting periods between the AER and the Victorian ESC's performance reporting regime.

We recognise and support the principle of greater transparency and appropriate information collection to meet specific policy objectives. However, we encourage the AER to consider the impacts on retailers, best practice regulation and a fit-for-purpose approach in amending its Guidelines. This will ultimately support improved customer outcomes at least cost.

We note that the AER has suggested that version 3 of the Guidelines takes effect from 1 July 2018, with retailers required to report the new data set from quarter 1 2018-19 (due 31 October 2018). This does not appear to allow sufficient time for retailers to change their systems, training and processes. We propose instead an implementation timeframe of 1 January 2019. This would allow for a full six months of data reporting that would represent an adequate level of data for the AER's Annual Performance Report. Additionally, the AER may consider alternative approaches for the 2018-19 period in which lower priority indicators are delayed to the subsequent year and/or retailers are able to report against the new indicators on a voluntary basis.

The AEC understands that a number of its members will be providing detailed submissions directly to the AER. We would be pleased to convene discussions between the AER and industry on these matters if it would assist in conducting the review.

Any questions about our submission should be addressed to me at [fiona.simon@energycouncil.com.au](mailto:fiona.simon@energycouncil.com.au), or on 0474 028 740.

Yours sincerely,

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