8 August 2023

Gavin Fox
General Manager, Market Performance Branch (Acting)
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Email: MarketPerformance@aer.gov.au

Dear Mr Fox

AER (Retail Law) Performance Reporting Procedures and Guidelines Review

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Regulatory (AER) in response to its review of the *Retail Law Performance Reporting Procedures and Guidelines* (the Guidelines).

This submission is provided by Energy Queensland, on behalf of its related entities, including:

- Distribution network service providers (DNSP), Energex Limited and Ergon Energy Corporation Limited;
- Retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail); and
- Affiliated contestable business, Yurika Pty Ltd and its subsidiaries, including Yurika Metering.

Energy Queensland supports improvements to the Guidelines which are in the interests of energy consumers, removes unnecessary regulatory burden and costs for participants, and which inform policy in the energy market to enable consumers to receive reliable, secure and affordable energy.

Enhanced performance reporting plays an important role in guiding improvements in energy retail policy. However, amendments to the Guidelines intended to enhance the consumer experience must equally be balanced against the escalating compliance costs retailers such as Ergon Energy Retail, are incurring in complying with new obligations.

In our view, the AER and industry should agree on the new reporting metrics before seeking industry feedback on the commencement timeframe. It is difficult for our retailer, Ergon Energy Retail to provide a definitive view of its ability to meet the proposed implementation date once it has reviewed the full extent of the additional reporting requirements outlined in the final Guideline.

Energy Queensland highlights the importance of allowing sufficient time to enable testing and the stabilisation of system changes stemming from concurrent reforms such as Five-Minute Settlement, Global Settlement, Integrating Energy Storage Systems and Better Bills prior to the commencement of the new reporting framework. We remain of the view that a structured and well-timed implementation is necessary to mitigate against risks associated with data integrity and the timeliness of reporting.

Finally, and as discussed recently with the AER, Ergon Energy Retail welcomes an opportunity to clarify definitional interpretations associated with key metrics such as the number of customers referred to an external credit agency for debt recovery. It is only when the AER makes expressly clear its intent with respect to what is captured in this metric that correct comparisons can be made and the collected data used to inform policy.

Should the AER require additional information or wish to discuss any aspect of this submission, please contact either myself, or Tammara Scott on 0492 137 878.

Yours sincerely

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Encl: *Energy Queensland responses to consultation questions*

Consultation Questions	Energy Queensland Response
1. Do you have any comments on the proposed implementation time frame of 6 months and commencement date of 1 July 2024 and what steps the AER can take to minimise the costs of reporting under the revised Guidelines?	Energy Queensland recommends that the AER first define the extent of the new and amended metrics prior to seeking views on implementation timeframes. This is necessary to mitigate retailer investment costs and ensure the integrity of the data provided.
2. What is your view on the indicators we have identified to potentially add to our suite of indicators? Are there any additional benefits or potentially unforeseen costs of adding these indicators and are there other indicators we should consider adding?	Energy Queensland highlights the importance of balancing the insights gained from reporting new metrics with the costs that will be incurred in reporting the additional metrics. We suggest that the AER clarify the purpose of collecting this data and how it will be used to inform compliance and policy decisions. In relation to the provision of data for embedded network customers, Ergon Energy Retail note the responsibilities arising from the contractual arrangement between the retailer and the customer ends at the parent meter. A child customer connected through an embedded network is, therefore, not a customer of the retailer. As such, we suggest reporting requirements proposed for data which relates to child customers connected via embedded networks must lie with the embedded network manager. Energy Queensland supports an introduction of further indicators relating to life support customers. However, we suggest additional context beyond the number of life support customers is needed to ensure the AER is sufficiently informed of the effectiveness of the relevant laws. Furthermore, we are unclear with respect to the AER's intent to *"collect data on life support customers to better monitor compliance with the NERR and perform <u>comparative analysis of regulated entities</u>".* We are unsure of whether the AER means that this analysis will be compared across regulated networks or whether it relates to retailer standing offers. We welcome opportunities to discuss life support protections and associated challenges faced by retailers and customers with the AER and the AEMC. We believe further stakeholder engagement around this proposed metric will support informed

Consultation Questions	Energy Queensland Response
	and effective policy changes. Energy Queensland notes non-compliance of *rule 125(2)(a) to notify the distributor of the removal of life support* is immediately reportable. However, given the additional protections provided by the retailer, we consider the customer risks associated with non-compliance of this obligation are low and suggest quarterly reporting would be more appropriate. We recommend the frequency of reporting obligations for this rule and similar provisions be reviewed. We support retailers reporting average energy consumption of a hardship customer to help inform the AER's understanding of hardship debt. Finally, regarding the Family Violence metrics we are concerned that customers will not inform their retailer when they are no longer impacted by family violence. Furthermore, we consider impacts of family violence are likely to continue long-term, with affected customers entitled to receive support from their retailer in most cases, for the life of their retail contract (and longer). As per our response above relating to the proposed changes regarding life support indicators, we suggest additional context is required to ensure the AER is sufficiently informed on this matter
3. What are your views on the proposed changes to current indicators?	Energy Queensland supports the AER better defining current metrics, particularly with respect to credit default. Noting Ergon Energy Retail is currently transitioning to a new billing platform, it is unclear at this time whether it will be possible to report on non-hardship debt (which is zero days old from the date of the bill due date). We support amendments to the contact centre reporting metrics given the technology now available.
4. Are there any other indicators that would benefit from being revised?	Energy Queensland recommends the AER review the credit default metrics to make the intent of these indicators clear.

Consultation Questions	Energy Queensland Response
5. What are your views on providing more frequent data for selected indicators?	Energy Queensland considers that any increase in reporting timeframes and obligations will impact current internal reporting resources. The AER should ensure that the cost of the additional reporting is balanced against the benefit the AER receives from more frequent reporting.
6. What are your views on providing more granular data for selected indicators?	Energy Queensland refers to our response to question 5.
7. What is your view on the indicators proposed to be consolidated or removed in the revised Guidelines? Are there any additional indicators that could fall under this category?	Energy Queensland supports the removal of reporting metrics which provide limited to no value to the AER.
8. What is your view on reporting service standard and GSL scheme data under the revised Guidelines in place of the current voluntary reporting?	Energy Queensland's DNSPs provide full visibility on GSL payments via the annual report each year. We see no issue providing this detail as required.
9. What is your view on the proposed change to include a specific 'small compensation claims' reporting requirement in the revised Guidelines if a jurisdiction were to adopt the regime?	Energy Queensland recommends the AER undertake further discussion with stakeholders and review the compensation claims metrics to make the intent behind that new metric clear. More detail is required before we can provide accurate feedback.