

11/04/2022

Authorisations  
Australian Energy Regulator  
By email

### **Submission: ERC Energy Pty Ltd - Application for electricity retailer authorisation**

On 24 February 2022 the Australian Energy Regulator (**AER**) accepted an application from ERC Energy Pty Ltd (**ERC Energy**) for an electricity retailer authorisation under the National Energy Retail Law (**Retail Law**).

This is the submission of [REDACTED] made in relation to the application by ERC Energy.

Energy is an essential service. With the COVID-19 pandemic, a greater percentage of people in hardship, and an increase in energy consumption within the home environment, we are reliant on our energy retailers to ensure that they afford the protections required.

### **The applicant**

The applicant describes itself as 'one of Australia's leading Independent Energy Management Businesses.' who has 'successfully provided maximum benefits and reduced utilities costs to thousands of individuals within the Embedded Network Space.' Such grandiose statements are not supported by the dull and uninformative nature of the document.

The application itself contains scant information on the capacity of the applicant to meet the requirements of the Retail Law and Retail Rules. The way in which the applicant references *the stipulations of the national and jurisdictional energy legislation; the retail rules; and the National Electricity Rules* gives rise to a concern that the applicant cannot identify its regulatory obligations (as does the applicant's reference to out of date standards). To the extent that the applicant has provided documentation to show that it does in the confidential section of the application, those documents should be publicly available.

Sonne Energy Australia is said to have a role of 'facilitating auditing' and also assisting in 'ongoing compliance'. We assume that Sonne Energy Australia includes individuals with experience with compliance. However, the applicant does not appear to understand the difference between auditing and implementing compliance programs. You cannot audit work that you have completed. You cannot audit work and then complete it. These are fundamental aspects of compliance. We recommend that the AER seek to clarify these statements as perhaps they were made in error or there is some other context.

### **Customer experience?**

The representations made by the applicant are in stark contrast to the views expressed by purported customers of the applicant. We draw the AER's attention to the 23 Google Reviews that can be viewed here: <https://www.google.com/search?client=avast-a-2&q=Energy+Resources+Corporation&oq=Energy+Resources+Corporation>

It is not uncommon for embedded network providers to have some negative reviews, it is uncommon for 100% of those reviews to be negative.

We note that we are not repeating nor endorsing any of the allegations made by alleged customers, as we do not know whether they are correct, however they do need to be carefully examined by the AER before granting an authorisation to this company.

### **Google Review One:**

Among the allegations in the Google reviews includes the following statement by an individual who claims to be a customer (review in italics):

*The worst electricity company in Australia.*

*Our stupid Body Corporate signed onto these incompetent hooligans for years and we can't break the agreement.*

*They are enormously expensive compared to Origin or someone credible, are impossible to get hold of on the phone (their office hours are actually insane) and they fail to update your details all the time, leading to delays in receiving bills and the like.*

*Further - they issued us an incorrect "notice to disconnect" at 4.58pm one day (a letter under our apartment door), then disconnected it at 5.00pm, and they have no emergency contact hours and their office shuts at 4pm.*

*Actually one of the most appalling companies going around for pricing, service and general competence.*

This allegation raises questions for us, including:

- a) has the applicant complied with the pricing restrictions in the Exemption Guideline and can it provide proof of this to the AER, and
- b) what processes does the applicant have in place to ensure that customers are not wrongfully disconnected.

Energy is an essential service, in an embedded network, disconnection has a more serious impact on consumers than elsewhere as an embedded network consumer would not be freely able to contact a third-party retailer to arrange reconnection.

### **Google Review Two:**

There are a range of allegations made in the google reviews for the applicant. In a separate review left by an individual who claims to be a customer (review in italics):

*Awful company. Bill sky rocketed over night and when queried they were super unhelpful. Incorrect bills, no bills at all, charges for things we didn't have.*

*Had an independent check on our meter and they were charging for another tenancy.*

*Hopeless.*

In our mind this raises the question of whether or not the applicant has processes for ensuring the accuracy of invoices sent and for avoiding cross wiring issues.

It is our submission that the AER should carefully examine **every one of the 1-star 23** Google reviews and identify any potential areas of concern. The AER could then consider

requesting evidence of the applicant's capacity to comply with any allegations of shortcoming when it comes to compliance.

Kind Regards,

[REDACTED]

Director

[REDACTED]