10 August 2023

Mr Gavin Fox
(A/g) General Manager, Market Performance
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Lodged electronically: marketperformance@aer.gov.au

Dear Mr Fox,

RE: Retail performance reporting procedures and guidelines (2023 update) - Issues paper

Origin Energy (Origin) appreciates the opportunity to provide a response to the Australian Energy Regulator's (AER) Retail performance reporting procedures and guidelines (2023 update) - Issues paper.

The AER's proposal for new and refined reporting indicators with increased granularity will substantially increase the volume of data to be provided by retailers. The extraction, validation, review and approval of the proposed information will involve additional costs subsequently passed through to consumers. On this basis, it is critical that the AER clarify how it intends to utilise the data and how the information will ultimately benefit customers.

Given the volume of data, we consider the proposed 6-month implementation timeframe will be difficult to achieve. The implementation process would be conducted alongside existing business-as-usual reporting (across performance data and a considerable range of other regulatory reporting in Australia) and ad hoc information requests. Post implementation, internal data validation and review processes will also come under additional strain as the window between the end of a reporting period and the submission deadline is already tight. We request that the AER take these issues into account in considering the volume of proposed data and what is feasible within the implementation timeframe.

The proposed family and domestic violence indicator is highly sensitive and not traditionally related to market performance. We seek further clarification from the AER on the proposed utilisation of the indicator and the underpinning policy intent. Similarly, given the large volume of data likely to be generated and the additional cost, we seek AER clarification on the application of more granular debt data and the anticipated customer benefit from its reporting.

Origin's response to relevant questions identified in the paper are set out below at Attachment A.

Question	Origin response
Question 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?	**6-month implementation timeframe** • The scope of proposed changes is large and requires extensive changes to data extraction coding. • Implementation in 6 months will be costly and difficult to achieve alongside the considerable share of internal capacity dedicated to BAU reporting (across performance data and a range of other regulatory reporting in Australia) and ad hoc information requests. • Proposed consolidation and removal of existing indicators is supported, however this scope is notably much smaller in impact and only reduces validation in future quarters not the implementation of proposed changes and new indicators. **Significant increase in volume of data each quarter requires longer submission times** • The issues paper proposes refinements that result in a substantially larger volume of data each quarter. • Internal lead times to produce, validate, review and approve data have already become pressurised with the submission window narrowing to one month after the last date of the reporting period in conjunction with increased complexity and volume of reporting indicators in previous years. • The extra capacity businesses need to meet this growing pressure ultimately comes at a cost to consumers. We propose the AER considers extending submission times to accommodate the substantially larger quarterly datasets proposed by the issues paper. **Cost benefit balance** • The proposed changes will increase the burden of reporting costs on consumers, this should be carefully weighed against potential benefits to ensure customers are not actually being made worse off by these changes when already facing higher energy and cost of living costs.
Question 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	**Practical challenges in collecting new performance indicators** • Embedded networks

indicators and are there other indicators we should consider adding?	- No specific issues to raise from a performance reporting view, greater clarity needed around parameters. - Life support - The volume of life support registered customers should differentiate between those with medical confirmation and those who have not been medically confirmed. - Family and domestic violence (FDV) - Energy regulators have implemented systems to help protect victims. This is a social policy imperative to provide safe access to essential services. - This is a highly sensitive indicator and is not related to market performance - we do not believe this should be subject to any additional granularity of data proposed in the issues paper. We seek further clarification from the AER on its proposed application of the indicator. - Timing of identification is an issue - we would only be able to provide the monthly difference in the total volume flagged. - Given the sensitivity of the issue, we would appreciate AER guidance on the proposed retailer process for removing an FDV flag. We propose no additional indicators.
Question 3: What are your views on the proposed changes to current indicators?	**Proposed changes** 0-day debt, 30-, 60- & 90-day debt - Given this will increase our volume of data considerably and incur additional cost, we seek AER clarification on the application of more granular debt data and the underlying policy objective for its reporting. - Clarity needed on whether 0-days old debt starting point is to be aligned with reporting to ESC on arrears—we would calculate this from the first day after the bill due date. - Average debt indicators - Clarity is needed around which debt indicators are affected. - Considering current indicators provide customer volume by debt level at disconnection and upon external collection referral, what additional insight or context will an average provide regarding debt size as a driver? - Alternative debt arrangements

	- o Clarity is needed on what this will include, ie will this cover everything that doesn't fall under payment plans? - Non hardship debt - o No issues to raise with splitting hardship debt indicators by fuel. - Tariff and meter types - o Further complexity here adds to the overall volume of data for review and will incur additional cost. - Prepayment meters - o No issues to raise. - Energy concessions - o No issues to raise. - Call centre - o Clarity needed on chat activity and other website contact, ie will this capture all chat interactions or only those within specific parameters? - o Complexity here will translate into more cost burden for customers and longer lead times for implementation. This will also make future website changes that relate to chat functions more complex to ensure reporting outputs aren't affected. - Complaints - o Support consolidation of metering categories. - o Clarity needed on what the potential sub-categories would be for billing and 'other'.
Question 4: Are there any other indicators that would benefit from being revised?	We support revisiting S4.08 definitions covering hardship payment plans meeting usage with regard to allocating edge cases (such as where a customer has an active plan but no debt, has not yet made payments, or whose debt has increased since the beginning of their meeting usage plan).
Question 5: What are your views on providing more frequent data for selected indicators?	**Monthly data** - This should only be considered as monthly data provided under existing quarterly timeframes. Completing the necessary validation and approval process each month is not feasible. - This will require adjustment to all code scripts for performance reporting and so contributes to cost and lead times for implementation.
Question 6: What are your views on providing more granular data for selected indicators?	**Granularity of data** The proposed refinements to indicators already produce a volume of data that tests the limitations of current submission deadlines. Adding a further layer of geographical disaggregation would

	exacerbate this greatly, clarity is needed from the AER as to how the benefit of this granularity outweighs greater costs.
	• Potential problems with postcodes bordering states and supply zones need to be addressed if this is implemented.
Question 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?	**Complaints** • Support consolidation of metering categories. **Indicators that could be removed** • Support removing indicators providing duplicated information such as S3.26. • Support removing indicators not used in annual reporting such as S3.38.
Other considerations	Clarity needed on how the revised reporting template format will function.

If you have any questions regarding this submission, please contact Murry Greasley in the first instance at murry.greasley@originenergy.com.au.

Yours sincerely

Sean Greenup
Group Manager Regulatory Policy
(07) 3867 0620 sean.greenup@originenergy.com.au