

18 April 2024

Ms Rowena Park
General Manager, Compliance & Enforcement Branch
Australian Energy Regulator
GPO Box 3131
Canberra, ACT 2601

Dear Ms Park,

AER consultation on new NERL reporting requirements

Evoenergy welcomes the opportunity to provide a submission to the Australian Energy Regulator's (AER's) draft compliance procedures and guidelines on National Energy Retail Law (NERL) obligations.

Evoenergy owns and operates the electricity distribution network in the Australian Capital Territory (ACT) and gas distribution networks in the ACT and the Queanbeyan-Palerang Regional Council and Shoalhaven City Council local government areas of New South Wales.

Evoenergy supports the new reporting obligations relating to protections for customers affected by family violence and notes the concerns raised in the public forum regarding privacy of personal information. We likewise agree that the proposed changes to life support customer registration, bill content and requirements, and flexibility of metering installation timeframes are practical.

Definition of materiality

The new requirement to report on a material breach, whilst similar to some jurisdictional reporting requirements, would benefit from a firmer view on what constitutes materiality. This would avoid ambiguity which may arise if left up to a regulated entity to determine its own assessment of factors contributing to materiality classification. The ambiguity presents a higher level of risk to management and staff responsible for compliance. The potential for over (or under) reporting and more frequent level of detailed reporting, would have a significant resourcing impost given a full investigation and report is undertaken for each breach. Evoenergy considers that the cost burden for networks could be significant, especially where effectively the same data is required to be reported to different regulators using different definitions, formats, and submission portals, for example safety related reporting under both National and jurisdictional requirements. Evoenergy considers that a mutual understanding of what constitutes a "material" breach in the AER's view, and the alignment of this criteria with jurisdictional definitions is required.

Reporting frequency change

Depending on the actual number of breaches which could fall into the new 'material' category, there may be a potentially significant cost and resource impost on networks, despite the proposed fall back to half yearly reporting for all other breach types.

Within Evoenergy, each quarterly report is signed off by the Chief Executive Officer (CEO). Under the proposed changes, any time the business gets a material breach, the investigation and implementation of preventative measures could require each report be signed off by the CEO, which may be irregular and more than the quarterly reporting, and in addition to the half yearly reporting. On balance, we do not consider that the information burden in compliance reporting requirements has been reduced by the proposed suite of changes and new obligations.

Timing of implementation

Evoenergy would be pleased to take up the AER's offer of 'user testing' of the submission portal for the (breach reporting system) as this will allow us to provide useful feedback and, better align our procedures and systems accordingly.

The required changes to our systems, reporting and audit processes, are unlikely to be deliverable for a 1 January 2025 commencement date and hence a 12-month period (or flexibility to implement) would be preferred to allow us to cost effectively implement system changes.

Should you wish to further discuss matters raised in this submission, please contact Clare McIntosh, at [REDACTED].

Yours sincerely



Mark Kerr
A/g General Manager - Evoenergy