

Daniel Harding  
General Manager (A/g), Market Performance Branch  
Australian Energy Regulator GPO Box 3131  
Canberra ACT 2601

Submitted via email

19 March 2024

Dear Mr. Harding,

**Retail performance reporting procedures and guidelines (2024 update)**

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission to the Australian Energy Regulator's ('AER') *Retail performance reporting procedures and guidelines Draft instrument (2024 update)* ('Draft Guidelines').

The AEC is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

**General Comments**

At present, there are various reforms pursued by multiple jurisdictions which relate to the collection of data. While the AEC has in the past supported the intent behind many of these reforms, we have always highlighted the need for any new datasets to be targeted, cost efficient, and delivered securely for the ultimate benefit of consumers. Unfortunately, many of these measures have resulted in significant costs to retailers, and consumers in turn, with claims around the utility of data often unrealized. The experience of the Consumer Data Right (CDR) for instance, pursued on the basis of data benefit at significant cost, has only been met with a muted consumer response.

In our previous submission, the AEC highlighted that many of the changes proposed in the Guidelines would increase the "data points from a few thousand to the tens of thousands." Combined with the limited time retailers have to provide such data to the AER, this was noted to "place an unreasonable strain on retail businesses". While the AEC welcomes the move away from 0-day debt reporting and monthly performance data collection, we do not believe that the updated Draft Guidelines adequately address industry concerns.

Both the AEC's submission and those of retailers stressed concern around the proposed increased granularity of data collected at a distribution network level and the changes around tariff and meter types, call center and billing complaint indicators, which remains unaddressed. Despite some of the changes since the issues paper, complying with these new obligations will still require significant time, effort, and resources on the part of retailers. Given that the costs of these changes are inevitably passed onto consumers, such new performance reporting requirements need to have clear and demonstrable merits that outweigh the costs of implementation. However, the AER has yet to set out a cost-benefit analysis to justify their value to consumers or sufficiently make the case as to how this data will be utilised.

The AEC addresses more specific elements of the Draft Guidelines in the sections below.

### **Granularity and frequency of data**

The AEC does not support the proposed additional level of granularity at a distribution network level for select indicators and recommends that the AER engage with retailers to understand why they are not feasible. Already, several of the proposed refinements to indicators produce a volume of data that will require significant resources of retailers to provide. Adding an additional layer of data disaggregation at a distribution network level would only exacerbate this issue, exponentially increasing both the complexity and the costs of the Draft Guidelines obligations. As the costs to operationalize this change would ultimately be borne by the customer, the AEC questions why a cost-benefit analysis has not been considered. It remains unclear what benefits the AERs market monitoring function would derive from these changes.

On a further practical level, the AEC understands that increased granularity results in more human effort on the part of retailers to validate and review what is provided to the AER. This not only increases the risk of error, but also significantly increases the time required for submission. Time requirements would similarly impact AER staff who will in turn have to process more data plus the compliance risk to retailers is greatly enhanced. Although the AEC would preference that these changes not go ahead, should they go forward, the AER needs to consider doubling the time for the data submission process. The AEC disagrees that a calendar month is adequate time for a retailer to submit their retail performance report.

Regarding the additional levels of frequency of data reporting, the AEC is pleased that the monthly collection of data is no longer considered. However, we question the need for call centre indicator reporting to be submitted on a quarterly basis as opposed to annually. Disaggregating calls jurisdictionally is already difficult on a practical level, and increasing the frequency that this indicator needs to be submitted would only create further unnecessary complexity.

### **Call Centre Indicators**

The AEC is concerned that the proposed changes to collect data on the number of customer contacts made through a 'service website portal' will lead to complex reporting challenges for retailers. For instance:

- Activity that passes through a website portal or online chat may not necessarily come from a customer.
- There is a lack of clarity and ambiguity around what would meet the threshold for 'customer contact'. A customer's engagement might span multiple days and interactions, or repeated attempts to connect to an online chat by a single customer on a single issue could constitute multiple 'contacts'.
- It is difficult to capture and establish automated processes to consolidate these data metrics as well as costly to do so.

The AEC considers that the ambiguity inherent in this proposed indicator poses a compliance risk for retailers. We suggest these online interaction metrics be explicitly excluded.

### **Complaint indicators**

The AEC questions the utility of the additional 'billing' subcategories proposed under the Draft Guidelines due to the overall cost and difficulty of providing this data as well as subjectivity issues. The AEC understands that collecting this data would be difficult to operationalise and would further require reliance on, and additional training for, front house agents. Adding new categories to billing complaints will further require significant and costly changes to systems and processes which are finely tuned to existing requirements.

On a practical level, further subcategorisation of billing complaints would be an inherently subjective process, particularly in instances where a single consumer complaint may raise multiple issues.

Therefore, there is the concern that these metrics increase the likelihood of compliance breaches, where information and data requirements are not obvious or well explained, leading to individual retailers providing information based on their interpretations. This in turn creates further issues where comparison of data between participants / regions or states is skewed due to information being provided not being an 'apples to apples' comparison.

Given that similar types of data are collected by Ombudsman, the AEC suggests the removal of these proposed additional subcategories.

### **Tariff and meter types**

The AEC does not support the proposals for additional metering data and tariff data to be reported as it is unclear what benefits they will bring. The accelerated 2030 rollout precludes the need for retailers to invest time and resources on metrics that will inevitably be phased out in the near future. We also understand, as pointed out in submissions to the previous issues paper, that data relating to these indicators is already readily available to the AER as part of the annual DMO information request.

### **Proposed implementation time frame**

Finally, the AEC has serious concerns regarding the proposed 1 January 2025 commencement date. Retailers are currently participating in multiple other data reforms which require substantial system changes (i.e. ESB Data Strategy Reforms including Initial Data Reforms, Data Services and Consumer Metrics). As can be seen in the NEM Reform Implementation Roadmap, the 2024-2026 period is particularly crowded with ongoing data reforms. Indeed, retailers already have existing reporting obligations and other ad hoc information requests which focus their resources on validation requirements.

Retailers will face additional resource strains training their call centre teams and adjusting to the revised version of the submission template under this limited timeframe. Collectively these operationalisation hurdles make the proposed commencement date difficult for some retailers and unachievable for others at an overall high cost.

While the AER proposes a 1 January implementation to accommodate these issues, the pushback of the Final Guidelines publication to May 2024 means that this results in little change from a retailer perspective. As a point of comparison, the ESC provided an implementation timeframe of 9 months for changes to their reporting guideline. Such changes were approximately half the scope of the AER's Draft Guidelines. In order to fulfill the commencement date, retailers would, therefore, have to begin the system changes well in advance of the Guidelines release.

The AEC believes that a minimum of 14 months (July 2025 from the May 2024 publication date) is required by retailers to ensure that they are able to comply with the revised Guidelines requirements. However, this is on the assumption that the aforementioned concerns around proposed increased granularity of data collected at a distribution network level and the changes around tariff and meter types, call center and billing complaint indicators are adequately addressed.

Any questions about this submission should be addressed to Jo De Silva, General Manager Retail Policy by email to [jo.desilva@energycouncil.com.au](mailto:jo.desilva@energycouncil.com.au) or by telephone on 03 9205 3100.

Yours sincerely,

***Jo De Silva***

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General Manager Retail Policy