Attention: Mr Daniel Harding

General Manager (a/g), Market Performance Branch

Australian Energy Regulator

By Email Only: marketperformance@aer.gov.au

19 March 2024

Dear Mr Harding,

AER (Retail Law) Performance Reporting Procedures and Guidelines – Draft Guidelines for Consultation

AGL Energy (**AGL**) welcomes the opportunity to provide feedback to the Australian Energy Regulator (the **AER**) in response to the abovementioned Draft Guidelines for Consultation (the **Draft Guidelines**).

Proudly Australian since 1837, AGL delivers around 4.3 million gas, electricity, and telecommunications services to our residential, small, and large business, and wholesale customers across Australia. As one of the largest providers of essential services, AGL has extensive experience with the delivery of retail performance reporting data across a number of jurisdictions.

AGL recognises and respects the important role that retail performance reporting data plays in supporting the AER's ability to "monitor retail market outcomes to inform policy design and help target compliance and enforcement priorities"[1]. It is our strong belief that regulation of the national gas and electricity markets for the benefit of consumers should be informed by meaningful and actionable data-led insights.

There also exists a natural tension and balancing act to ensure that the level of reporting obligations imposed on energy retailers is commensurate with the intended use and likely benefits of those obligations. Performance reporting data obligations involve significant investment in time, effort, and technology to ensure timely delivery with an utmost focus on data quality. Ultimately, these costs are reflected in retailers' costs-to-serve and worn by consumers, which is especially relevant given current cost-of-living pressures. Thus, it is especially critical to carefully consider and moderate any new or additional reporting obligations.

AGL has carefully considered the proposed Draft Guidelines in conjunction with the AER's explanatory statement, public information session and refinements workshops. AGL's detailed feedback to the issues and changes contemplated in the Guideline are set out within the attached **Appendices** as follows:

- Appendix 1 – AGL's Feedback on New Indicators
- Appendix 2 – AGL's Feedback on Refinements to Current Indicators
- Appendix 3 – AGL's Feedback on Frequency and Granularity of Data
- Appendix 4 – AGL's Feedback on Implementation Date
- Appendix 5 – AGL's Feedback on Other Changes

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[1] Australian Energy Regulator, AER (Retail Law) Performance Reporting Procedures and Guidelines Draft Instrument – Explanatory Statement, February 2024, p. 2.

We also refer to our initial response to the AER's Issues Paper submitted on 7 August 2023 (**Issues Paper Submission**).

Where relevant, we have sought to affirm our support for the AER's proposed changes as well as highlighting any areas of concern or potential refinement to the Draft Guidelines. In particular, we reiterate the need to consider more appropriate and realistic implementation timeframes having regard to the range and impact of the proposed changes, some of which could and should be avoided for the reasons set out herewith.

If you have any questions in relation to this submission, please contact Liam Jones on ljones3@agl.com.au.

Yours sincerely,

Liam Jones
Senior Manager Policy and Market Regulation

Appendix 1 – AGL's Feedback on New Indicators

1.1 Embedded Networks

The AER has set out a position in both the explanatory statement, public information session and refinements workshops whereby the proposed reporting obligations under Schedule 6 would only apply to an energy retailer who provides energy to both the parent/gate meter <u>and</u> corresponding child meter(s) at a given premises. At present, this qualifying statement is reflected in a note following each indicator. Given the potential confusion whereby a retailer's relationship with both the parent/gate meter and child meter(s) could each independently give rise to a 'retailer-customer' relationship, we suggest there is room to better define the concept of 'customer' as well as the qualifying scenarios that this indicator is intended to cover. For the avoidance of any doubt, where AGL provides energy to a parent/gate meter <u>only</u>, we would not be able to (nor would we be expected to) provide data of the sort considered in S6.1 to S6.7 for any child meter customers.

AGL also questions the utility in imposing reporting obligations of this nature on authorised retailers (and not exempt sellers) in circumstances where there has been "significant growth in registrable network exemptions" for arrangements supplying ten or more residential customers[2]. Noting the AER's concerns around protecting the interests of consumers experiencing vulnerability, there is arguably a greater need for this data and monitoring for those entity types who might not be subject to the same rigorous regulatory framework as energy retailers.

In addition to the general commentary above, AGL provides the following indicator-specific feedback:

Indicator	AGL Feedback
S6.1	It may be worth clarifying that a reference to 'customers' for the purposes of this indicator is a reference to customers at a child meter only? I.e. the parent/gate meter should be excluded as a customer for the purposes of this indicator. When talking about small business and large customers, is each child meter to be treated as a separate customer or are they defined by the business entity operating the relevant meter?
S6.2	AGL recommends that the definition of "energy bill debt" should be explicitly clarified as having the same meaning as in Schedule 3. Given the definition now spans multiple Schedules, consideration should be given to 'elevating' it to the Schedule 1 Glossary. We refer to detailed commentary in Section 2.3 in relation to the definition of the debt age banding and the proposed process of classifying a customer having regard to their oldest debt only.
S6.3	We refer to detailed commentary in Section 2.3 in relation to debt age banding.
S6.4	AGL recommends that the definition of "payment plan" should be explicitly clarified as having the same meaning as in Schedule 3. Given the definition now spans multiple Schedules, consideration should be given to 'elevating' it to the Schedule 1 Glossary.

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[2] Australian Energy Regulator, Review of the AER Exemptions Framework for Embedded Networks, November 2023, p. 16.

Indicator	AGL Feedback
S6.5	AGL has no specific feedback to provide in relation to this proposed indicator.
S6.6	AGL has no specific feedback to provide in relation to this proposed indicator.
S6.7	AGL has no specific feedback to provide in relation to this proposed indicator.
S6.8	AGL has no specific feedback to provide in relation to this proposed indicator.

1.2 Life Support Customers

AGL is supportive of the policy rationale for introduction of these new indicators and provides the following indicator-specific feedback:

Indicator	AGL Feedback
S6.9	AGL seeks clarification as to whether the intention of this indicator is to capture data at a customer-level (rather than at a fuel, device or address level) by virtue of the definition of a "life support customer". For example, a single customer may have life support flagged for both electricity and gas at a single premise or a customer may have life support flagged against electricity at two separate premises. In each of the preceding examples, are these to be recorded as a single, discrete 'life support customer' or multiple instances for each fuel/premise? AGL's recommendation is to count each individual NMI/MIRN registered for life support.
S6.10	AGL seeks clarification as to whether a life support customer who moves-out of Address A and moves-in to Address B would be considered as reportable under *both* S6.10 and S6.11? AGL's feedback in relation to S6.9 is also relevant for this indicator.
S6.11	Refer to feedback provided in relation to S6.9 and S6.10 above.

1.3 Customers Affected by Family Violence

AGL is supportive of the policy rationale for introduction of these new indicators and provides the following indicator-specific feedback:

Indicator	AGL Feedback
S6.12	AGL has no specific feedback in relation to this proposed indicator.
S6.13	AGL has no specific feedback in relation to this proposed indicator.

S6.14 AGL recommends that the definition of "payment plan" should be explicitly clarified as having the same meaning as in Schedule 3. Given the definition now spans multiple Schedules, consideration should be given to 'elevating' it to the Schedule 1 Glossary.

S6.15 AGL recommends that the definition of "on a retailer's hardship program" should be explicitly clarified as having the same meaning as in Schedule 4. Given the definition now spans multiple Schedules, consideration should be given to 'elevating' it to the Schedule 1 Glossary.

Appendix 2 – AGL's Feedback on Refinements to Current Indicators

2.1 Clarifying Definitions

AGL is supportive of efforts to eliminate any subjectivity or confusion in retailer reporting obligations, especially where the outcome is to ensure consistency in approach across jurisdictions. Clarifications should have the goal of simplifying retailers' existing understanding and the AER's intention behind metrics rather than imposing new or substantially modified definitions wherever possible so as to minimise effort and costs.

AGL's provides the following indicator-specific feedback:

Indicator	AGL Feedback
Glossary	Refer to specific commentary for each of the corresponding indicators. More broadly, we suggest consolidating each of the individual Schedule-specific definitions sections into the overall Glossary, with each of the defined terms then appearing in italics to indicate that is a defined term.
S3.17	AGL is supportive of the proposed definition change. See separate commentary under Section 2.3 in relation to changes to the remainder of the indicator.
S3.20	AGL is supportive of the proposed definition change. See separate commentary under Section 2.3 in relation to changes to the remainder of the indicator.
S4.10	AGL agrees with the definition of "financial counsellor referral", subject to the qualification that it would only apply in instances where the customer hadn't been referred to a financial counselling service by their retailer, including following a "retailer referral" or "self-identification" as is often the case. For example, where an interaction occurs with a retailer that identifies potential hardship and the customer is referred to a financial counsellor, then this should not be captured as a financial counsellor referral.
	AGL is concerned that there is an inherent overlap and likely resultant confusion between a "retailer-referral" and "self-identification". Where a retailer identifies indicators of vulnerability or potential hardship, efforts will be made to contact and engage the customer, which based on empirical analysis, is often unsuccessful, requiring the customer to contact the retailer to access support.
	In almost all circumstances, the retailer will require additional information and engagement from the customer to ascertain that they are in fact experiencing hardship. While a retailer can infer or presume (utilising the information available to it) that a customer *might* be experiencing payment difficulties or hardship, inputs form the customer, namely consideration of the customer's personal circumstances and capacity to pay are ultimately required. For this reason, there is a real risk that the current definitions would result in the overwhelming majority of hardship referrals being classified as "self-identified" despite any proactive actions taken by the retailer to identify hardship and engage the customer. To alleviate these concerns, AGL recommends that just two categories of referral are utilised: (1) Financial Counsellor referral and (2) Non-Financial Counsellor referral (incorporating self-identified and retailer referral pathways).

2.2   Data Validation

AGL refers to its Issues Paper Submission and reaffirms that we are broadly supportive of the use of data validation to ensure that sub-indicators align to a total overarching indicator. However, we also recognise that this may not always be the case due to the inherent complexity of processes and systems and as such, we note the need to be able to have an exception or override field to adequately explain any differential.

2.3   Debt Indicators

AGL is broadly supportive of the AER's desire to receive more granular views of retailer debt profiles and the associated measures that are in place to support customers experiencing payment difficulties. However, AGL flags that the proposed changes have significant technical impacts and are one of the most substantial contributors to the development and testing effort that forms the basis of our concerns around implementation timeframe (see Appendix 4 herein for further commentary).

AGL's indicator-specific feedback is as follows:

Indicator	AGL Response
S3.17	AGL is supportive of the change from "customers *repaying* an energy bill debt" to "customers *with* an energy bill debt" as this provides greater clarity around the intended interpretation of the metric.

However, the introduction of sub-categories for debt age banding introduces significant complexity into this indicator (and S3.20 below), especially as this metric is also subject to distribution network overlay. As a result, there will be a significant number of permutations for this dataset.

We also recommend that consideration be given to a more simplified and explicit definition of the debt age spans, using for example:

    i.   Which has been outstanding for between 30 and 59 days (inclusive).

    ii.   Which has been outstanding for between 60 and 89 days (inclusive).

    iii.   Which has been outstanding for equal to or greater than 90 days.

We also note the AER's intention for customers to be counted in the debt age bucket that accords to their *oldest overdue debt*. If so, we recommend that this qualification is explicitly included in the guidance or definition for this indicator.

> For illustrative purposes, consider a hypothetical monthly billing customer with a total overdue debt of $785 spread across three bills, which are aged as follows - $500 at 35 days overdue, $250 at 65 days overdue and $35 at 95 days overdue.

Under the proposed methodology, this customer would be counted once under the 'greater than 90 days overdue' debt age band. This approach has the potential effect of skewing the distribution of customer debt by age, noting that in the example provided, only a minor proportion of the customer's overall debt sits within that age bucket. While we don't recommend changing the methodology, we want to highlight that the statistical benefits of this indicator would be limited to representing the distribution of customers' oldest overdue debt only.

S3.20	Unlike indicator S3.17 (discussed above) which counts customers' oldest overdue debt (where a customer should only be counted once), this indicator looks at the average debt sitting within each of the debt age bands (see separate commentary above regarding definition of the debt age bands).
	Noting the AER's commentary in the Explanatory Statement that S3.17 and S3.20 have common customers, it is important to ensure the definitions are aligned between the two indicators. It is important for the AER to clarify the debt amount that is intended to be used for the purposes of calculating the average debt in S3.20 – for consistency, it should be just the debt amount that sits within the customer's maximum debt band (as reported in S3.17 and as opposed to all of the customer's overdue debt across multiple debt bands).
	To continue with the example used in S3.17 above, just $35 would be counted for the average debt in the 90+ band.
S3.21	This metric considers 'alternative debt arrangements' or 'deferred debt arrangements', the definition of which is set out in the definitions section. We note that the definition contemplates scenarios where the customer is not yet in debt (i.e. agreement to defer a future payment obligation thus avoiding incurring debt) whereas the metric label explicitly includes reference to debt. This is potentially confusing and consideration should be given to modifying the label name accordingly.
S3.22	Further to commentary in relation to S3.21 above, AGL would also like to clarify whether the intention of this metric is to count debt only as distinct from future payment obligations or both. It is our recommendation that the definition of the indicator be modified to explicitly consider the total agreed arrangement amount at the point of creation of the arrangement.
S3.34	AGL seeks clarification as to whether this metric is intended to capture the average amount of debt for current or previous residential customers at the *initial* point of referral during the reporting period? I.e. it would not consider any balance-reducing payments made following referral to the collection agency, nor would the debt be recounted in multiple reporting periods where it remained with a collection agency for an extended period of time. The above methodology reflects AGL's recommended approach to this metric.
S3.46	AGL has no specific feedback in relation to this indicator.

2.4   Tariff and Meter Types

AGL is appreciative of the AER's desire to capture data in relation to consumer take-up of cost-reflective tariffs and to measure the transition to more advanced meters. However, AGL refers to and repeats the contents of its Issues Paper Submission which questioned the need to capture tariff type data for meters other than Type 4 and Type 4A in circumstances where these will be phased out under proposed reforms to accelerated smart meter deployment, which will undoubtedly involve its own separate reporting obligations.

Notwithstanding this, AGL provides the following indicator-specific feedback:

Indicator	AGL Feedback
S2.8	It is AGL's view that the proposed metrics require more detailed definitions and clarification so as to ensure that (a) the definitions are suitable today, but also remain flexible and responsive to any future tariff reform/innovation and (b) ensure that tariffs remain mutually exclusive and avoid unintended consequences such as where the definitions overlap or could result in a tariff being potentially reportable under more than one bucket. AGL wishes to highlight the inherent challenges in building and maintaining an accurate and up-to-date mapping of network and retail tariffs against the corresponding AER definition, noting that there are currently over 1,000 unique network tariff codes found in AEMO's Market Settlement and Transfer Solution (MSATS).
S2.9	AGL has no specific feedback in relation to this indicator.

2.5   Prepayment Meters

AGL does not currently operate prepayment meter systems and as such, does not have any specific feedback to provide on the proposed changes. AGL notes its general concerns around the implications for inadvertently winning sites with these meters already installed, especially in the event that their prevalence increases. AGL suggests it may be worthwhile to clarify and make the distinction between a meter which has the functionality installed/available versus when it is actually utilised by the retailer. In other words, the mere presence of the technical capability to perform prepayment should not create a reporting obligation; it requires the active utilisation of that functionality.

2.6   Energy Concessions

AGL is supportive of the position adopted by the AER in the Draft Guidelines.

2.7   Call Centre Indicators

AGL understands that the intention of this change is to capture instances of customers interacting with their energy retailer via online or digital channels (as compared to traditional contact centre phone methods). While AGL is sympathetic to this change and is supportive of the need to capture this data, we recommend that the drafting of the indicator requires clarification.

An interaction between a customer and a call-centre operator is clear and easy to delineate. Online interactions can take several forms and as such, requires more detailed clarification. For example, online or digital interactions can involve real-time chat with an energy retailer representative, messaging (delayed response), virtual assistants (or bots/AI), webforms or self-service transactions through online accounts, mobile apps or other similar platforms. These interactions can often occur in both authenticated and unauthenticated environments, making it difficult to distinguish between interactions with an actual customer or individuals who are not customers of the retailer. The more of these

scenarios that are included in the final Guidelines (or any clarification guidance note) will increase the complexity and cost of the changes required by retailers.

An additional feature of these digital/online channels is that depending on the nature of the request, they may involve the customer having to contact the retailer by phone to complete the transaction, which would involve multiple interactions being captured and recorded.

Given the objective of the indicator is to consider instances of customers requiring support from their retailer (versus performing a transaction), the definition should be confined to instances where an interaction occurs between a customer and a human representative of an energy retailer through a website, online account or mobile app channel.

2.8 Complaint Indicators

AGL appreciates the challenges that the AER is trying to solve by attempting to provide more granular sub-categories for billing complaints. However, in seeking to solve one problem, AGL is concerned that the AER is inadvertently creating another as the proposed methodology creates a number of suboptimal outcomes. As such, we recommend not making any changes to billing complaint sub-categories.

First, the proposed complaint categories are not mutually exclusive and common complaint scenarios will present across a number of categories making classification difficult or haphazard.

> For illustrative purposes, a hypothetical customer with estimated billing due to no meter access receives a high corrected bill, which they cannot afford due to payment difficulties. The customer does not engage with the retailer's efforts to contact him/her about the overdue debt resulting in a disconnection for non-payment. When calling to get reconnected the customer was not satisfied with the payment plan terms offered by the retailer and finds out that their energy concession hadn't been properly applied due to a data mismatch issue.

This scenario alone could be captured under five different categories. The challenges around identifying the appropriate category are compounded by the fact that not all complaints undergo a comprehensive root cause analysis. This is especially pertinent where the customer's desired outcome is apparent and mutually agreeable with the retailer. The task of detailed root cause analysis is often performed by specialised complaints handling agents and/or regulatory/compliance officers and even so, not for all complaints. Furthermore, the customer's perception of the reason for the complaint may unduly influence the categorisation of the complaint by the frontline operator. To continue with the same hypothetical case study, it may be the disconnection that the customer is aggrieved by, whereas the underlying root cause of the problem was access to the meter and estimated reads.

While ombudsman schemes do categorise complaints for scheme reporting, this is not comparable as the ombudsman *centrally* manages classification for *all* retailers (compared to retailers independently managing classification) and the ombudsman complaint process naturally allows for higher degrees of root cause investigation.

The highly subjective data points and variable qualitative assessments by frontline agents will result in high levels of variability and unreliability both within individual retailers' reporting and perhaps more so across industry. Given the AER's stated objective of comparability and to provide insights into the causes of customer dissatisfaction, this would be an undesirable outcome.

An additional concern is that the drafting of some of the proposed classifications presupposes or suggests wrongdoing or non-compliance on the part of the retailer. Definitions that draw an inference as to the reason for the complaint (e.g. failure to provide notice or billing errors) should be avoided in favour of neutral language that objectively explains the type of complaint.

Finally, AGL notes that the new S3.15 indicator requires clarification as to whether the subject matter of the complaint must specifically relate to the functioning or operation of the non-smart meter or merely capture customer complaints where a non-smart meter exists at the customer's premise (i.e. the meter may be unrelated to the root cause of complaint). In the event that the latter definition is to apply, then arguably there is duplication and overlap between S3.15 and S3.6. Furthermore, there is opportunity to simplify the meter contestability complaint indicators (S3.9 to S3.14) into a consolidated single indicator.

2.9   Other Refinements

Indicator	AGL Response
S3.19	The current drafting of this indicator considers that retailers should report the amount that "customers on payment plans are paying". This appears to be distinct from the amount that the customer has *proposed* or *committed* to paying. The nature of customer payment plans is such that there will likely be material differences between the two approaches and methodologies. It is AGL's strong recommendation is that the customer's *committed* amount is the preferred option of the two, noting that it will be very challenging to convert actual payments (which can be ad hoc or sporadic) into a meaningful fortnightly amount, nor would we capture customers who have promised to pay but haven't yet made a payment.
S3.26	It is AGL's understanding that the AER are interested in capturing payments emanating from Buy Now Pay Later services (BNPL) where a retailer has an explicit arrangement with a BNPL provider or is able to readily identify those BNPL payments. It is AGL's experience that it is <u>not</u> possible to readily identify these payments and we do not anticipate reporting anything under this proposed indicator as things currently stand. It has been our experience to date that payments originating from BNPL services either present as BPay payments or under an indiscernible payment type – e.g. a generic PayPal payment.
S3.28	Save for feedback provided separately in relation to embedded networks at Section 1.1 above, AGL has no specific feedback in relation to this indicator.
S3.48	AGL has no specific feedback in relation to this indicator.
S3.49	AGL has no specific feedback in relation to this indicator.
S4.4	AGL has no specific feedback in relation to this indicator.
S4.8	AGL refers to feedback in relation to S3.19 regarding the distinction between a customer's actual payment amount versus their committed amount. The new category (v) is intended to cover customers meeting usage costs with <u>no</u> arrears. This has two potential interpretations which we seek the AER's clarification on:

a. Is S4.8(a/b)(ii) expected to equal the sum of S4.8(a/b)(iii) + S4.8(a/b)(iv) + S4.8(a/b)(v)? I.e. (iii), (iv) and (v) are subsets of (ii)?

b. Alternatively, where (v) covers customers meeting usage costs with _no_ arrears, then as a corollary, (ii) covers customers meeting usage costs _with_ arrears. (iii) and (iv) then both cover customers meeting usage costs with arrears but with an added binary qualification of whether it will take greater than or less than 12 months to clear those arrears. In this case, (iii) and (iv) are subsets of (ii).

S4.9	AGL refers to and repeats our feedback provided in relation to S3.26.
S4.10	Refer to feedback provided in Section 2.1 in relation to this indicator.
S4.15	AGL has no specific feedback in relation to this indicator.

Appendix 3 – AGL's Feedback on Frequency and Granularity of Data

3.1   Monthly Data

AGL supports the AER's decision to withdraw the proposed collection of select indicators on a monthly basis.

3.2   Distribution Network Level Data

AGL refers to its Issues Paper Submission and maintains its general opposition to breaking down reporting data by distribution zone. AGL's concerns with this approach are:

a. Development effort and costs - distribution-level breakdowns are proposed across nine indicators spanning three different schedules. These changes will require significant development and testing effort which in part contributes to AGL's concerns around the implementation timeframe (see Appendix 4 herein).

b. Submission template complexity – the additional distribution-level breakdowns will result in significantly more data points and permutations on the new submission template, which will increase overall complexity in the process, creating added regulatory and data quality risks for retailers.

c. Review effort – following on from the above, the new data-fields will result in significantly increased retailer effort to review and assess data outputs and trends as part of the sign-off process (see Section 5.6 for more detailed explanation of the steps required by retailers to prepare data submissions).

d. Responsiveness to problem statement – the explanatory statement identifies potential "gaps in consumer protections", whereas the protections afforded under the NERR and NERL operate at a jurisdictional level and not at a distribution level, meaning there should not be any differences between distribution zones.

e. Pricing and affordability analysis – much of this data is already provided by retailers through other recurring or ad hoc reporting processes such as the DMO process or ACCC pricing inquiry requests.

f. Intra distribution zone shifts – while the AER notes that there is significant variation in geographical and population characteristics across the energy market, the same is true of distribution zones. However, for the reasons outlined above, even more granular location reporting should also be avoided.

g. Cross-bordering – we understand that this will create discrepancies between jurisdictional and distribution network data due to cross-bordering scenarios.

Appendix 4 – AGL's Feedback on Implementation Date

In our Issues Paper Submission, AGL indicated that it would reserve feedback on implementation timelines until such time as it had the opportunity to review any proposed changes. AGL has now had opportunity to properly review the full suite of changes proposed by the AER proposed from 1 January 2025. It has also been necessary for AGL to consider these changes in the context of its own change management pipeline and those in the external environment. We reaffirm our understanding of, and acknowledge the policy rationales for the changes that the AER is seeking to make.

AGL has determined that it would need to undertake significant system and reporting enhancements across both our data capture, reporting and validation/assurance processes. This system functionality is essential for ensuring the efficient and effective operation of regulatory performance reporting for AGL. Accordingly, system changes of this nature involve a rigorous process to shape, develop, implement and test any new functionality. These changes must also be prioritised against AGL's existing pipeline of system changes, also taking into account the finite technical resources that support them. This is especially pertinent for AGL as we are currently in the midst of significant retail transformation activities.

In addition to the above, AGL must also consider impacts to other external requests such as the NSW DCCEEW's proposed changes to the Social Program for Energy Code changes or the AEMC's rule change for accelerated smart meter rollout amongst other things.

Another relevant consideration is the availability of the new test template (see further AGL response in Section 5.5) being made available to our technical teams with sufficient time to adequately test new functionality before go-live. AGL is concerned that this new template might not be available until late 2024 which would leave insufficient testing time.

For the reasons outlined above, AGL does not anticipate being able to implement and thoroughly test all the required changes in time for the proposed 1 January 2025 commencement. We realistically estimate that an appropriate and achievable implementation timeframe would be **12 months** from the date of a final decision. This would approximately align with a July 2025 commencement date (subject to the final decision being delivered in Q4 as intended). We also point to previous feedback provided by a range of retailers[3] which supports AGL's view that commencement should be delayed to a later date.

As an alternative approach, AGL refers to and repeats its suggestion from the Issues Paper that the AER consider a phased implementation.

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[3] Australian Energy Regulator, AER (Retail Law) Performance Reporting Procedures and Guidelines Draft Instrument – Explanatory Statement, February 2024, p. 61-62.

Appendix 5 – AGL's Feedback on Other Changes

5.1 Consolidation of Indicators

AGL refers to feedback provided in Section 2.8.

5.2 Removal of Indicators

AGL is supportive in principle of removing any indicators that do not serve the objectives of monitoring retail market outcomes, informing policy design or supporting compliance and enforcement priorities. In this regard, AGL is supportive of the proposal to remove indicator S3.38 (total number of residential customers reconnected in the same name at the same address).

5.3 Indicators for Distributors

Given the technical and detailed nature of the Draft Guidelines, AGL suggests that any reporting obligations for retailers should be kept separate and distinct from those imposed on distributors. Save as aforesaid, AGL does not comment on the merits of formalising data collection obligations from distributors.

5.4 Revised Format

AGL is supportive of maintaining the current format of the Draft Guidelines.

5.5 Submission Template

AGL refers to previous commentary in Appendix 4 in relation to the implementation date. One of the most fundamental aspects of delivering changes to performance reporting is ensuring that both new changes and pre-existing functionality are rigorously tested through appropriate systems, production validation testing, user acceptance testing and regression testing. This will be integral to ensuring that AGL delivers reliable and accurate data in accordance with its obligations. Accordingly, it is critical to ensure that retailers have access to the new submission template as early as possible, and certainly no later than **4 months** before the commencement date. As indicated in the Public Information Session held on 27 February 2024, AGL remains concerned that the new template would not be available until late 2024 which is insufficient for testing purposes.

5.6 Submission Process

AGL notes that the Draft Guidelines contemplate a raft of changes to the existing reporting framework and which significantly increase the number of reported data points and associated complexity, especially those relating to debt indicators and distribution-level reporting.

The additional impact of these changes is best considered having regard to a retailers' processes for submitting performance reporting data. Following the end of a reporting period, retailers will ordinarily undertake activities to extract relevant reporting data from one or more host systems. This raw data is shared with subject matter experts to review for accuracy and undertake trend analysis. Often additional supporting data is required as an additional check and balance on the performance reporting. Once the data has been validated, a number of assurance and approval steps will follow (this will vary between retailers depending on their structure/size). Finally comes the process of undertaking a final check and submission of the template(s).

Despite the significant investments AGL has made to ensure we have effective systems and processes, the end-to-end process from extraction to submission is already highly pressured. We strongly recommend the AER review submission due dates in consideration of the increased volume and complexity of data. AGL previously recommended this be aligned to compliance reporting, with an additional month given for Q2 and Q4, with these quarters being particularly challenging for retailers with

end of year leave (January) for key personnel in Q2 and additional half yearly reporting being due (i.e. NSW Social Code) in both Q2 and Q4. Optimally, the AER would allow 2 months for all submissions (Q1 – Q4), with a particular callout being Q3, which often includes Easter and ANZAC day resulting in less business days to complete the end-to-end process and resulting leave from key personnel.

5.7 Submission of Revised Indicators

AGL would like to reiterate previous feedback (which does not appear to have been reflected in the Draft Guidelines) around the process for requiring refreshed CEO/delegate approval for instances of minor, clerical or non-substantial corrections to submitted data templates. AGL suggests a streamlined approach that would avoid the excessive administrative burden for minor revisions.