



28 June 2024

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Dear Ms Chifley

### **Ausgrid response re AER's Review of Payment Difficulty Protections in the National Energy Customer Framework – Issues Paper**

Ausgrid welcomes the opportunity to respond to the Australian Energy Regulator (**AER**) on its Review of Payment Difficulty Protections in the National Energy Customer Framework (**NECF**). We support the AER's efforts to improve and strengthen protections for consumers, particularly in an environment where Australian consumers still grapple with the highest increase to their cost of living in over 35 years.<sup>1</sup>

Ausgrid provides electricity to 1.8 million customers across over 22,000 square kilometres from the Sydney CBD to the Upper Hunter. This means more than four million Australians, spanning across urban, regional and rural areas rely on us daily. The service we offer is only increasing in importance, as households and key industries electrify further.

Our customers are at the centre of our business and we work hard to put downward pressure on prices without compromising the safety or reliability of our network. Ausgrid runs three, ongoing customer committees, including a Customer Consultative Committee which meets quarterly to provide frank advice on how to become a better business for our customers. As part of our 2024-29 regulatory reset we also undertook an extensive 18-month engagement process through our Voice of Community Panel, involving over 80 hours of talking to more than 100 customers, to understand what they value most. From these engagements we know that Ausgrid customers expect us to continue work to address their concerns about affordability in the way we maintain and build assets, use pricing structures, and develop innovative projects and trials to give customers greater control over their energy bills. This focus on affordability and customer needs has helped to keep Ausgrid's network charges amongst the lowest across the east coast of Australia.<sup>2</sup>

We are aware that customers may have difficulties paying their electricity bills. While retailers are responsible for customer billing, Ausgrid has a Customer Assistance Framework to help those who need to pay us directly for safety rectification work, damage to our network, or the rental of tiger tail safety equipment. This framework outlines our commitment to working flexibly with customers to manage their debt.

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<sup>1</sup> In March 2024, the Australian Bureau of Statistic reported that, over the past twelve months, all Living Cost Indexes rose between 3.3% and 6.5%, down from a 35-year peak reported in March 2023. ([Selected Living Cost Indexes, Australia March 2024](#))

<sup>2</sup> Australian Energy Regulator, [2024-2025 Default Market Offer Prices Final Determination](#) (23 May 2024); Victorian Essential Services Commission, [Victorian Default Offer 2024-25: Final Decision Paper](#) (20 May 2024).

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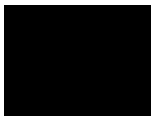
In addition to doing what we can to lower our network costs, Ausgrid considers giving customers enough information to understand the underlying drivers for their total energy costs vital to empowering them to better manage their energy bills on an ongoing basis. To this end, we are developing a range of publicly available online resources to improve energy literacy, empower Australian customers to optimise their energy usage and have earlier conversations with their retailers about how to reduce their bills.

Consistent with our past submissions into the AER's 2022-23 consultations on its Better Bills Guideline, Ausgrid sees two ways billing transparency could be improved to support consumers engagement in, and understanding of, the energy market. Ultimately these changes could help customers better manage their bills and reduce instances of payment difficulties.

- Customers should be able to see what is contributing to their electricity bill so they can better understand the drivers of price changes. For example, jurisdictional schemes have contributed to an increase in overall network costs. From 1 July 2024, the annual impact of the two existing jurisdictional schemes in NSW (the Climate Change Fund and the Electricity Infrastructure Roadmap) will equate to \$56 on the average Ausgrid residential customer's bill.<sup>3</sup>
- Electricity bills should clearly state whether a customer's connection point has a smart, interval or accumulation meter. While Ausgrid is committed to supporting an accelerated, customer-led installation of smart meters, as of June 2024, approximately only 33 per cent of our customers have them installed. Information on their meter type would better equip all customers to have conversations with their retailers about which tariff-type is best suited to their energy usage, thereby allowing them to make an informed choice on their retail offer. It may also encourage customers to request the installation of a smart meter, which then offers benefits such as more accurate and cheaper meter readings, and greater control over their bill through more flexible pricing.

We would be happy to discuss this submission further with the AER. Please contact Emma Vlatko, Senior Policy Advisor at [REDACTED] if you would like further information.

Regards,



Fiona McAnally  
Head of Regulation

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<sup>3</sup> Average residential customer bill excludes GST and is based on 5,000 kWh per annum demand tariff without controlled load.