



Australian Energy Regulator

Submitted online

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AER Draft Amendments to AER Compliance Procedures and Guidelines

AGL Energy (AGL) welcomes the opportunity to comment on the Australian Energy Regulator's (AER) draft amendments to the Compliance Procedures and Guidelines.

AGL has a strong interest in an efficient and effective exception reporting framework, which balances the administrative burden on regulated businesses and overarching compliance objectives.

While AGL is generally supportive of the proposed changes, there are some elements that may impact the efficient management of the reporting framework which are discussed below.

Reporting sign-off

AGL continue to advocate for changes in sign off requirements to allow flexibility and consideration of the relevant roles and responsibilities of the Chief Executive Officer and the relevant Managers and General Managers.

AGL strongly advocates for the Guidelines to permit a CEO delegate. We suggest this could require the CEO to provide express delegated authority to an appropriate officer via a formal statement to the AER for each reporting year. In AGL's case, we would consider delegation to Group General Manager of Retail as being most appropriate and familiar with the information.

Presentation of market offer prices (questions 5 and 6)

AGL are supportive of the half-yearly reporting requirements relating to the fixed benefit requirements. Our key concern relates to the change relating to NERL, Part 2, Division 4, Section 37 regarding the presentation of market offer prices in line with the Retail Pricing Information Guideline requirements.

As a Tier 1 retailer, AGL has a large number of Energy Price Fact Sheets for the various offers available to customers across tariff and network types. The management of the new requirements are resource intensive and a highly manual task which may result in an individual error but would not necessarily be representative of a systemic issue. AGL recommend that the AER instead consider the insertion of a magnitude threshold for BPID errors.

Hardship reporting requirements (question 9)

Hardship policies to-date have been on a principles-based approach and AGL consider expanding the reporting requirements to section 44 will not yield consistent or fair results for retailers, particularly when retailer obligations are to implement and maintain the approved policies. Retailers are already



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required to report against their obligations under the NERL regarding the implementation and maintenance of their approved policies.

AGL recommend that the AER do not seek to change hardship reporting requirements until the current rule change request by the AER is finalised by the Australian Energy Market Commission (AEMC). Once the AEMC has made their final determination, the AER should consult with stakeholders regarding the most appropriate metrics for reporting, in line with whatever form the final determination takes.

Timing

AGL request that the AER take into consideration other major regulatory changes the market is currently undergoing that may impact an effective start date of 1 January 2019. In particular, this date coincides with the start date of the Victorian Essential Services Commission's Payment Difficulties Framework. This framework represents a significant change to AGL systems and processes including the way that data is collected and managed. This change impacts all our systems and requires significant staffing resources to manage to ensure a clean transition on 1 January 2019. The addition of other reporting requirements that impact the way data is collected and managed may have unintended consequences and represent risks to retailers in being able to effectively test and ensure the new framework, and the new reporting requirements can be quality tested together.

Should you have any questions or comments, please contact Kathryn Burela on [REDACTED] or [REDACTED]

Regards

A handwritten signature in blue ink, appearing to read 'Con Hristodoulidis', written over a light blue horizontal line.

Con Hristodoulidis

Senior Regulatory Manager