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AGL Energy (**AGL**) welcomes the opportunity to respond to the Department of Environment, Land, Water and Planning's (**DELWP**) Protecting Consumers of Distributed Energy Resources Consultation Paper (**Consultation Paper**).

AGL is one of Australia's leading integrated energy companies and one of the largest ASX listed owners, operators, and developers of renewable generation. Our diverse power generation portfolio includes base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources.

We are a significant retailer of energy and telecommunication services with 4.3 million customer accounts across Australia. AGL is a market leader in the development of innovative products and services that enable consumers to make informed decisions on how and when to use their consumer energy resources (**CER**) assets to optimise their energy load profile and better manage their energy costs. AGL conducts multiple projects and trials and has developed a market-leading understanding of the implications of CER uptake.

AGL welcomes the Victorian Government's commitment to ensuring effective protections are in place for Victorian energy consumers. As well as the effort in this consultation paper to explore whether there is a need for further reforms to protections, or the introduction of new protections, for consumers of CER in Victoria.

AGL supports a principles-based framework for the future that seeks to avoid the granular, prescriptive, and process-driven approach. Any prescriptive regime risks creating outcomes which are contrary to the principle of competitive neutrality for different business models and may inhibit the ability of energy players to innovate. This, in turn, may limit consumer access to solutions they desire or unnecessarily increase costs to serve. Any additional regulation will need to assess the different consumer use-cases on how different customer cohorts want to use energy in the home in order to develop a modern consumer protections framework, focusing on the principles that consumers need to know what they are buying, how this will impact their energy usage and costs and to easily and transparently verify the promise they were made is being fulfilled.

The opportunity for the government is to provide consumers with clear and accurate information

We see the most significant opportunity in how government can support consumers in the CER landscape is to help provide 'a one-stop shop' portal that accurately and clearly outlines information at all the different points of a customer's journey in purchasing and using CER products and services. As noted in the consultation paper, currently there are several resources for customers to find information about CER products and services. However, the VOICES report highlighted that information is complex and confusing, and managing new technology is hard work and beyond the capacity of many Australians. The VOICES report also identifies that information failures currently make that engagement more challenging than necessary. A one stop shop approach will help to alleviate this friction and therefore build trust as the CER market matures.



While a regulatory intervention is not required, there is a role for government to provide accurate information to customers as a trusted advisor at each stage along the entire customer journey¹. DELWP should work to map out the current consumer protections that exist in a conventional supply arrangement in comparison to new supply arrangements to understand where the gaps exist. This mapping exercise will allow the government to build out options for what regulatory changes are required in the energy regulatory framework in Victoria, including both removal of no longer appropriate obligations and inserting new fit-for-purpose obligations. Some of the consumer protections that currently exist for energy consumers may sit outside the energy regulatory framework. The government should not seek to duplicate these protections for new energy services, but rather provide clear information and resources to customers on what avenues they have available. By mapping out protections, the government will be able to ensure they capture any intersections and linkages with other protections and frameworks. As well as provide information, links and resources as to where consumers can find that information in a simple and easily digestible format.

Purchasing and financing CER products and services

Some CER products and services have high upfront costs. Households and businesses may seek to recover their costs by using the products and services over time to minimise their energy bills, sell energy they export to the grid and/or be rewarded for providing flexible demand or other services. Households and businesses may also finance their purchases through 'buy now, pay later' (BNPL) financing arrangements. The government should look to the developments and consultation on regulation of BNPL arrangements that are being carried out by Treasury.² Treasury is seeking feedback on the future regulatory framework for BNPL arrangements under the *National Consumer Credit Protection Act 2009 (the Credit Act)*. The options paper 'Regulating Buy Now, Pay Later' in Australia is seeking views on three broad options that aim to provide a regulatory foundation for the future growth of BNPL in Australia. This is an example of where the Victorian Government should look to ongoing processes and coverage in consumer protections that may exist outside the energy sector and should not seek to duplicate efforts.

Installers are critical transition intermediaries

The VOICES report highlights that there are critical issues in the installation and connection of CER products and services. As the VOICES report highlights customers are often left with unforeseen costs and undesirable technology placement, poor installation practices and complicated grid connection processes. These issues present considerable risks in the customer journey when utilising CER products and services and may inhibit the development of a CER market in the future.

While there are options to ensure high levels of compliance with installation and connection practices through the New Energy Tech Code and the Victorian Energy Upgrades Code of Conduct, neither of these are mandated. There is a role for the government to look to resolve these issues, to ensure all consumers receive the same level of consumer protections when looking to install and connect CER.

Avenues for resolving disputes

Finally, all consumers should have access to dispute resolution mechanisms regardless of how they receive their energy services. There is a role for government to clarify roles and responsibilities so when multiple parties are involved in providing a new energy service, there is no confusion as to which provider is responsible for resolving a consumer's issue.

¹ The New Energy Tech Code provides a good overview of the customer journey, [New-Energy-Tech-Consumer-Code.pdf \(newenergytech.org.au\)](#), see page 2-3

² See further at <https://treasury.gov.au/consultation/c2022-338372>



Yours sincerely,

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