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Energy Savings Scheme

Independent Pricing and Regulatory Tribunal

By Email Only: essregulator@ipart.nsw.gov.au

19 April 2024

Dear Sir or Madam,

[Consultation Paper - Operational changes to scheme participant compliance processes](#)

AGL Energy (AGL) welcomes the opportunity to provide feedback to the Independent Pricing and Regulatory Tribunal (IPART) in response to the abovementioned Consultation Paper (the Paper).

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. In New South Wales, AGL is a Tier 1 energy retailer to residential customers, with 24% electricity market share and 39% gas market share¹. As one of the largest providers of essential services, AGL is committed to meeting the needs of its energy customers both now and through the transition to a net zero emissions future. AGL offers products and services that assist our customers in decarbonising and to reduce their energy consumption through carbon offsets, demand response programs and participation in AGL's Virtual Power Plant.

AGL recognises the important role of both the NSW Energy Savings Scheme (ESS) and Peak Demand Reduction Scheme (PDRS) in achieving the Energy Security Safeguard objectives of ensuring the energy system is "more reliable, affordable and sustainable"². AGL is cognisant of its reporting and audit obligations relating to liable acquisitions under the *Electricity Supply Act 1995* (NSW) and notes the need to strike a balance between the end use of this data in determining energy savings targets and the significant investment in time, effort, and technology to ensure timely and accurate delivery of data. Ultimately, these costs are reflected in retailers' costs-to-serve and worn by consumers, which is especially relevant given current cost-of-living pressures. In this regard, we are appreciative of IPART's approach to adopting the learnings and feedback from recent ESS and PDRS compliance cycles. In particular, we welcome efforts to ensure the process of supplying and auditing data obligations is simplified, resulting in greater consistency, efficiency, accuracy and a lower administrative and regulatory burden.

AGL's responses to the consultation questions in the Paper are set out within Appendix A attached herewith. We note our support for the changes proposed by IPART, given their likely positive efficiency and cost impacts for scheme participants.

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

Yours sincerely,

A handwritten signature in black ink that reads "Liam Jones".

Liam Jones
Senior Manager Policy and Market Regulation

¹ Australian Energy Regulator, *Annual Retail Markets Report 2022-23*, November 2023, p 10-11.

² <https://www.energy.nsw.gov.au/nsw-plans-and-progress/regulation-and-policy/energy-security-safeguard>



Appendix A – AGL’s Responses to Consultation Questions

Consultation Question	AGL Feedback
<p>1. <i>Does the move to providing gross electricity market purchase data present any issues or challenges for your business?</i></p>	<p>No. AGL is supportive of the use of gross electricity market purchase data (in lieu of net electricity purchase data). We recognise that this approach should result in streamlined and simplified reporting requirements for scheme participants.</p>
<p>2. <i>Do the revised audit requirements present any issues or challenges for your business?</i></p>	<p>No. AGL anticipates that the proposed changes will reduce the regulatory burden and audit costs of scheme participants.</p>
<p>3. <i>Would you like to see changes or improvements to the compliance timeline? Do you support the combined ESS and PDRS compliance cycle? Does the existing compliance timeline present any issues or challenges for your business?</i></p>	<p>AGL is supportive of the indicative 2023 ESS and 2023-24 PDRS compliance timeline as outlined in Figure 1 in the Paper. AGL does not propose any amendments to the activities or milestones contained therein.</p>