



19 July 2024

Energy Reform Division
Essential Services Commission
Level 8, 570 Bourke Street
MELBOURNE VIC 3000

Submitted via webform: <https://engage.vic.gov.au/energy-retail-code-of-practice-review>

Energy Retail Code of Practice Review

AGL Energy (AGL) thanks the Essential Services Commission (the Commission) for the opportunity to comment on the Energy Retail Code of Practice Issues Paper (the Issues Paper), dated 6 June 2024.

AGL commends the Commission for its ongoing work to ensure that the Victorian energy regulations remain proportionate, relevant and fit-for-purpose in a transitioning energy system. AGL supports the Commission's holistic analysis of the Code to identify and address areas of risk and consumer harm.

AGL strongly believes that a robust and agile consumer protection framework can maximise long-term consumer outcomes while promoting strong and fair competition in the market. It is an integral part of an efficient and equitable energy transition. As one of the oldest providers of essential services operating in Victoria, we have extensive experience with the regulatory framework under the Energy Retail Code of Practice (the Code) and its predecessors. We consider that with the exception of only a small number of elements in the Code, the energy regulations in Victoria are operating as intended to reduce the risk of consumer harm and support customers experiencing financial difficulties and vulnerable circumstances.

With respect to some of the issues raised in by the Commission as part of this Review, we note that there appears to be limited evidence of consumer harm, poor customer outcomes or market failure, making it difficult to substantiate a compelling case for change. Without evidencing the risk and likelihood of harm or improper conduct within the industry, it is not readily apparent how some of the suggested reforms could enhance the existing rules to better support Victorian energy consumers.

Generally, our observations of the Code are that:

- On the whole, the regulatory framework in Victoria, especially in relation to the protections for customers experiencing vulnerability, is operating as intended and where that is the case for specific obligations in the Code we have provided feedback to that effect.
- There are opportunities to amend or revise elements of Tailored Assistance where the customer cannot afford to pay for ongoing usage, specifically, the 6-month debt freeze and practical advice to help a customer lower their energy costs. Currently, the debt freeze is exacerbating poor payment and debt outcomes for customer experiencing financial hardship.



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- The protections for customers experiencing family violence and the billing regulations are fit-for-purpose.

Implementation timeframe

The Commission has indicated that there will be implementation period of six months from the date of its Final Decision into the Review of the Code. While AGL agrees that some of the reforms put forward in the Issues Paper may not involve material changes to systems and processes, a period of six months will not be sufficient to implement and operationalise any substantive policy reforms. We consider material changes to be those which require a moderate to substantial expenditure of resources (labour and financial), time and effort to amend existing or create new processes, systems and customer-facing material such as bills, notices, letters. Industry changes of this magnitude often take at minimum 12 months to enact; however, we will only be able to form definitive view once the Commission releases the Draft Determination.

AGL's responses to the questions in the Issues Paper are based on our experiences as one of Australia's largest providers of essential services, our strong history of supporting customers experiencing vulnerability and hardship, and our insights with the Victorian energy retail regulation framework under the Code.

If you would like to discuss any aspect of AGL's submission, please contact Valeriya Kalpakidis at vkalpakidis@agl.com.au.

Yours sincerely,

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

Liam Jones

Senior Manager Policy and Market Regulation

AGL Energy



Attachment A – AGL Responses to the Questions in the Energy Retail Code of Practice Review Issues Paper

Question	AGL Comments
Strengthening family violence protections	
1 Are there any specific rules in the National Energy Retail Rules (NERR) that we should consider including in the code of practice that would strengthen protections for Victorian customers?	<p>As one of Australia’s largest providers of essential services, supporting our customers and staff who are experiencing family violence is an enduring priority for AGL. We take our responsibility to our most vulnerable customers extremely seriously. AGL was one of the first energy retailers in Victoria and the National Energy Customer Framework (NECF) jurisdiction to implement a family and domestic violence policy both at a corporate and customer level, prior to any regulatory intervention. We have been active participants in the development of the Victorian and NECF family violence rules by sharing our insights, experiences and lessons learnt from interacting with both victim-survivors and perpetrators of abuse.^{1 2}</p> <p>As an energy retailer operating across the Victorian, NECF and WA jurisdictions, AGL has one unified Family and Violence Policy for all states in order to promote a consistent and safe experience for all customers. Where one jurisdiction has a higher regulatory threshold (such as the expanded definition of “relationship” in NECF which includes carers and Aboriginal and Torres Strait Islander), we apply the higher threshold to all states. We understand that other energy retailers have also adopted this approach.</p> <p>At this time, AGL does not recommend further regulatory intervention to amend the Victorian family violence rules. Through AGL’s experience applying family violence protections to affected customers across all jurisdictions, we believe that the rules are working as intended. Rather, the industry would benefit from guiding materials on better practice principles which are developed and maintained through ongoing collaboration between government, victim-survivors, independent experts, and family violence support services, such as the Commission’s Safety by Design partnership. AGL would welcome the opportunity to be involved to help test the application of the principles from an operational and practical perspective.</p>

¹ AGL was highlighted as an Industry Case Study in the Essential Services Commission 2018, Providing family violence support: [Exploring ways energy retailers can provide family violence assistance that is safe and effective](#), 31 October 2018, Appendix C.

² AGL Energy submission to the Australian Energy Market Commission’s rule change consultation [Protecting Customers Experiencing Family Violence](#), 3 March 2022; AGL Energy; AGL Energy submission to the Australian Energy Market Commission, [Protecting Customers Affected by Family Violence – Draft Determination](#), 4 August 2022.



Question	AGL Comments
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2 Are there any family violence protections in the water sector we should replicate in the code of practice?	No, see AGL's response to Question 1 above.
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3 Are there any other protections we should consider including in the code of practice to further support consumers affected by family violence?	No, see AGL's response to Question 1 above.
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Payment Difficulty Framework – training requirements

4 In your view, what aspects of the code of practice (if any) related to the Payment Difficulty Framework should be revised to better support consumers experiencing vulnerability or hardship?	<p>In AGL's response to the 2021-2022 Payment Difficulty Framework Implementation Review (the PDF Implementation Review), we highlighted that some aspects of the PDF framework have been well received by customers, such as the information provision requirements on PDF entitlements. We continue to see this positive customer sentiment around the information available on PDF assistance measures.</p> <p>However, the inherent complexities of administering the PDF for frontline agents are compounded by the volume of regulatory requirements and the length of the call. These factors can adversely impact customer engagement and attitudes during the interaction and how they access support measures.</p> <p>Part 6 of the Code - <i>Assistance for residential customers anticipating or facing payment difficulties</i> prescribes detailed obligations that energy retailers must comply with when offering Tailored Assistance to customers. Payment support measures which require agents to offer specific advice and practical assistance can be particularly difficult for customers to absorb or actively engage with as retailers are required to go through a 'checklist' of information requirements and this can be</p>
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Question

AGL Comments

overwhelming for the customer. Further, customers who are contacting their retailer – often during times of distress or vulnerability – may not properly understand or retain the multitude of information required to be conveyed by the retailer.³ Some customers may also be hearing this information multiple times if they have previously accessed payment assistance from their retailer, while others may only wish to access one specific payment support measure but agents are required to offer the full suite of PDF assistance during a Tailored Assistance call.

We consider that for certain specific advice or practical assistance measures under Tailored Assistance, it is appropriate to offer the customer time to review and absorb information in their own time and in a format of their choosing, for example, via SMS, webpage, App, email. The most critical information should continue to be delivered during the customer-agent interaction, (such as for agreeing on the terms of a payment arrangement), with less time sensitive information (such as energy efficiency tips) coming at a later point in time and through alternative channels. This would allow customers the time to consider and to properly engage with various PDF support measures and entitlements.

An additional area for improvement is the application of debt freezes as part of Tailored Assistance as will be considered further in response to Question 7 below. Caution must be exercised with this type of support as it allows the customer to accrue further debt that might not be capable of being repaid. By its design, this will result in the customer accumulating more debt at the end of the freeze period than at the beginning. It is AGL's experience that this type of measure is appropriate where there is a clear pathway for the customer to clear the additional debt at the end of the moratorium period. These situations effectively represent a race against time – it is necessary for the customer to be able to modify either their energy consumption behaviour, appliances or invest in CER assets to manage their energy costs ongoing. This is often a challenging task, especially for customers with limited financial means or an inability to influence investment in the energy efficiency of their residences.

AGL also wishes to raise that the Commission has recently concluded its consultation on the Payment Difficulty Framework Guideline – Draft. While we understand that the Draft Guideline is concerned with updated guidance on the *existing* framework, (whereas the Review is considering a potential future state framework), given the significant overlap between the two bodies of work, we are mindful of duplication of effort in circumstances where it is likely that the Draft Guideline may become redundant

³ AGL Energy, response to the Essential Services Commission Draft Consultation, [Payment Difficulty Framework Guideline](#), 14 June 2024, page 4.



Question

AGL Comments

less than 12 months after its commencement. AGL considers it may be more efficient and appropriate to consider any PDF reforms to the regulations and the Guideline concurrently and at a different stage to this Review.⁴

5 Do you have any suggestions about how to improve the current Payment Difficulty Framework training obligations established in the code of practice?

AGL takes the training and continuous development of its frontline agents to be an integral part of providing excellent customer service and meaningful assistance to customers experiencing vulnerable circumstances. This commitment was reflected in AGL's recent \$70 million [Customer Support Package](#) which included increased situational awareness training to enhance AGL's proactive identification capabilities. AGL agents undertake an intensive induction training program and are subject to ongoing education to assist customers with a wide variety of issues or queries, including pricing and energy offers, bill-related queries, payment assistance, life support, family violence protection and connections/disconnection of premises. AGL also has a number of specialised teams which operate in specific areas including hardship, family violence and new connections for more tailored services or support. AGL notes that the majority of all customer contact does not involve payment difficulties, therefore, it is appropriate that some agents have a more specialised skill set to handle complex or sensitive matters, such as hardship and family violence. In order to minimise operating costs, retailers have the task of ensuring that agent resourcing is commensurate to customer demand.

AGL believes that the current training obligations in the Code are comprehensive and are working to promote positive customer outcomes. This is evidenced in the Commission's findings into the review of the implementation of the payment difficulty framework since 2019 which showed that:

- 98% agents were respectful in their communication.
- 95% showed that they were listening to the customer.
- 94% provided support.
- 88% asked relevant questions to better understand the customer's circumstances.

⁴ AGL Energy, response to the Essential Services Commission Draft Consultation, [Payment Difficulty Framework Guideline](#), 14 June 2024, page 4.



Question	AGL Comments
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- 88% were empathetic in their communications. ⁵

6 Do you consider that retailers should be required to train their staff to assist customers experiencing different vulnerability or hardship issues?	See AGL's response to Question 5 above.
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Obligation to place debt on hold for six months	
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7 Are you aware of any customers who have had their debt placed on hold? If so, has the hold helped them reduce their debt in the long term?	<p>As part of our feedback to the Commission's 2021-2022 PDF Implementation Review, AGL put forward that the 6-month debt freeze was delivering poor or mixed customer debt and affordability outcomes. Observation of customers accessing Tailored Assistance 2 (unable to pay for their ongoing usage) shows that this still continues to be the case. Hardship customers who access 6-month debt freeze and repay below consumption levels are more likely to accrue a higher level of debt upon completion of the arrangement and exacerbate the debt cycle. [REDACTED]</p> <p>Further, the success of the Tailored Assistance 2 arrangement is reliant on customers making tangible or significant improvements to their energy consumption. Our analysis of customers accessing AGL's hardship program, Staying Connected, shows that this customer cohort often has limited to no capacity to reduce their energy consumption due to characteristics of</p>
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⁵ Omira Research, [Essential Services Commission: Payment Difficulty Framework Call Recordings Study](#), 20 May 2022, page 22. The findings are based on 729 call recordings of 94 customers across 17 retailers.



Question

AGL Comments

their housing stock and/or family structure. This is often compounded by a low likelihood of change in personal circumstances or income in the near-to-medium term.

While the debt hold has the potential to perpetuate the debt-disconnection cycle, there may be some customers that benefit from the 6-month debt freeze, therefore, we are open to working with the Commission and industry to trial the various enhancements to the debt hold obligation or alternative methods of its application including those proposed in our response to Question 8 below.

8 How might this obligation be amended to better support customers experiencing significant payment difficulties?

In order for the debt freeze to have a meaningful impact it must be coupled with an effective complementary measure. By and large, energy efficiency advice and practical assistance have limited value where customers are unable to reduce their energy consumption or for those customers who are unlikely to see a change in their financial or living circumstances in the near-to-medium future. For customers experiencing entrenched financial hardship, payment difficulty protections can't always solve intrinsic affordability issues – this is arguably a social welfare issue as much, if not more, than it is an economic regulation issue.

The Commission may wish to consider whether the below amendments may improve customer outcomes while retaining the 6-month debt freeze obligation:

- Limit the number of times a customer can access the 6-month debt hold if it is not making a meaningful difference to debt levels or if energy consumption remains the same or increases in that period (i.e. no more than once every two years if they customer is continuing to accrue high levels of debt).
- Two-way customer commitments when entering the 6-month debt freeze arrangement that require the customer's active participation in the debt and energy reduction process.
- Discretionary application of the 6-month debt freeze where it is deemed appropriate for the customer's circumstances.
- A change of length of time from 6 months to 3 months.
- Whole of sector approach to supporting customers to receiving proper practical assistance, including through accessible, funded retrofit programs and subsidies.



Question

AGL Comments

Accessibility of Utility Relief Grants (URGS) information

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| 9 | In your experience, are the URGS and energy concessions obligations set in the code of practice being implemented as intended? Are there any obligations that might require additional guidance? | While AGL acknowledges that we need a whole-of-sector approach to promote the availability of URGS and increase its uptake, in AGL's experience, the URGS and energy concessions obligations set in the Code operate effectively. The approval rate for relief grant applications is higher when the form is completed on the customer's behalf as opposed to when the customer independently completes the form. AGL advocates for other jurisdictions to adopt the same model as Victoria whereby the retailer is responsible for the submitting the application on the customer's behalf. |
| 10 | Are there any potential adjustments to the URGS and energy concessions obligations that we should consider including in the code of practice? | <p>While we understand that the URGS framework is in the remit of the Department of Family, Fairness and Housing (DFFH) and therefore, outside of the scope of this Review, we encourage the Commission to work with the DFFH on implementing a number of quality-of-life solutions to improve the URGS application process by streamlining the information requirements and reducing the burden on customers and likelihood of unnecessary delays.</p> <p>The below recommendations may improve the overall efficiency of the URGS application process:</p> <ul style="list-style-type: none">• Customers affected by family violence: remove the requirement to provide DFFH with proof that the customer is affected by family violence.• DFFH Concessions portal: Systems architecture that can support direct retailer access to the DFFH portal to complete URGS application straight away and remove the need for forms.• Length of Application: We receive feedback from our agents completing URGS applications on customers' behalf that the volume of information required for the form is vast, and often customers are underprepared to go through the process. |



Question

AGL Comments

AGL would welcome a reduction in the length of the form or, alternatively, the DFFH could consider whether it is appropriate and desirable for Victoria to adopt the 'One-Form' process used in NSW. We consider that this could support a more streamlined process, reducing the time and information requirements to complete an application.

Assistance and information on energy efficiency

- 11 Should the code of practice introduce more prescriptive obligations about how energy efficiency advice should be delivered? What are the costs and benefits of these changes?
- AGL does not consider that more prescriptive obligations about how to deliver energy efficiency advice under the PDF will lead to materially better customer payment and debt outcomes.
- In our response to Questions 7 and 8 above, we underscore that in order for Tailored Assistance 2 to be effective, the customer needs to make moderate to significant improvements to their energy consumption or behaviour. As part of the 2021-2022 PDF Implementation Review, AGL commissioned an independent assessment of the PDF against the objectives of the framework. With respect to reduction of energy consumption during the debt freeze period, our analysis revealed that 47% of TA2 customers managed to reduce their energy consumption by an average of \$130 on their annual bill, while 47% increased their consumption by the same amount. The remaining customers made no impact to their energy usage while being offered practical energy efficiency assistance.
- Customers who actively participated in AGL's home energy efficiency audits, appliance replacement and other energy efficiency programs and pilots were more likely to reduce their consumption compared to other TA2 customers. However, generally this indicates that customers who cannot pay for ongoing usage have limited capacity to reduce their energy consumption, so any reduction is proportionately low compared to overall usage.
- Additional research of our customer hardship base revealed that for the cohort whose consumption increases, their personal circumstances often do not provide any scope for energy efficiency and/or financial counselling support to improve their circumstances as these customers are often:
- Single and low income;
 - More likely to have dependants; and



Question

AGL Comments

- In public or rental property with poor energy efficiency ratings and therefore the scope for energy efficiency improvements is limited.⁶

As detailed in response to Question 4 above, there is opportunity to reconsider the 'timeliness' obligations around delivery of payment difficulty support with particular emphasis on energy efficiency advice. When customers engage with their retailer for support, they often do so when under immense stress and having to provide voluminous information may be counterproductive. This is especially true of energy efficiency advice which is arguably better delivered at a different time and through different channels (rather than over the phone). AGL advocates for a staged or phased approach to delivery of payment difficulty support.

12 Are there other non-prescriptive alternatives to encourage better practice across retailers to connect customers with existing energy efficiency government programs (such as the Victorian Energy Upgrades program)?

AGL notes its concerns around the current ability of the program to support vulnerable customers. In order for Victorian Energy Upgrades (VEU) scheme to be more relevant and accessible, fundamental aspects of the program may need to be revised. Currently, it is difficult for vulnerable customers to reap the benefits of the VEU, as it is largely geared towards low volume, high value electrification transformations. While customers do have access to energy audits under the VEU, it is difficult for any subsequent recommendations such as appliance retrofits to be implemented. These activities are often not accessible to the customer cohort that would benefit most from them due financial considerations, and rental or public housing living arrangements.

In this regard, AGL points to recent policy developments around minimum energy efficiency standards for rental properties, which seeks to create the necessary obligations for landlords to invest in the efficiency of rental stock. There is potentially a role to play for the VEU to support these upgrades.

⁶ AGL Energy, Submission to the Essential Services Commission, [Payment Difficulty Framework Implementation Review](#), 30 November 2021, page 9.



Question

AGL Comments

Supporting customers who want to disconnect from gas

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| 13 | Do you see a need for improving processes and information for a customer who wants to disconnect from or abolish their gas connections? | AGL believes that the current industry practices for arranging a gas disconnection or abolishment are relatively straightforward. It is important to note that customers seeking to undertake a gas abolishment exclusively for electrification purposes currently make up a very small percentage of overall abolishment requests. The Commission will be aware that the majority of gas disconnection or abolishment requests happen in the context of building works at the premises, such as demolitions or renovations. |
| 14 | Do you have any views on our proposed provision-of-information requirements related to disconnections and abolishments? | <p>We consider it is sensible for retailers to have general information available on the abolishment and disconnection process and how customers can arrange these works. It gives the customer an opportunity to determine and plan for what needs to be undertaken at their home or business. AGL agrees that some customers, particularly those seeking to electrify their homes, may need extra assistance in navigating the process which AGL's customer service agents can support our customer with.</p> <p>We note that an obligation for retailers to provide translated versions of abolishment information introduces cost and complexity. AGL recommends consideration to either the Commission or DEECA maintaining a centralised repository of translated customer resources to ensure consistency in message.</p> <p>Notwithstanding this, AGL underscores that in many instances, it is the third-party contractor communicating with the retailer on behalf of the landlord/customer and while a retailer may be the Financially Responsible Organisation (FRO) for the site subject to the works, there may not always be a contractual retailer-customer relationship in place. In this respect, the Commission would be introducing regulations to target only a small subset of customers which is not commensurate to the issue presented in the Issues Paper.</p> |



Question	AGL Comments
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15 Do you have any views on whether there is a need for new rules on timeframes and notification requirements for abolishing gas connections?	For sites where AGL is the FRO, gas abolishments and disconnections can be initiated via a form which is accessible to active and former customers, landlords and third-party agents. Accordingly, in many cases AGL will be interacting with individuals such as builders and contractors who do not have an energy account with AGL and may not find the additional information useful. With respect to notification requirements to update customers on the progress of the works, while AGL considers that it is reasonable to notify the customer of applicable timeframes, distributors are better positioned to update the customer or contractor of the progress of the disconnection or abolishment as they are undertaking the works.
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16 To strengthen protections for a customer wanting to disconnect from gas, are there any other obligations on a retailer we should consider introducing in the code of practice?	AGL has no further comments.
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Bill information requirements	
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17 Do you see a need for full alignment of energy bills with the Australian Energy Regulator's Better Bills Guideline? If so, what do you think	AGL was the first retailer in the National Energy Customer Framework jurisdiction to launch our new bill designs as part of the AER's Better Bills Guideline (BBG) reforms. We also note that we have opted to utilise much of the BBG layout and design for our Victorian customers. In this regard, we do not believe there are currently any barriers to retailers adopting the BBG format/design in Victoria as the Code rules are flexible and effective enough that retailers can adhere to both frameworks. From a consistency and efficiency perspective, this is AGL's preference – it is easier to maintain a common suite of bill templates across jurisdictions.
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Question

AGL Comments

would be the key benefits?

Accordingly, it is AGL's recommendation that changes do not need to be made to the Code to allow harmonisation with NECF – it is already open to retailers to do so today if they see sufficient benefits or efficiencies.

In the alternative, should the ESC be minded to undertake billing reforms in Victoria, then it is AGL's strong recommendation that the new guidelines are harmonised to expressly match the AER obligations and avoid further unnecessary changes. In particular, we recommend the removal of the bill benchmarking information (for residential customers) and Greenhouse gas emissions (for business customers) which is now only in Victoria and no other state and is a source of customer confusion – see further discussion below in response to Question 49.

18 Do you think the inclusion of details for the Energy and Water Ombudsman Victoria (EWOV) would be of benefit to billing information?

The front page of AGL's bills for small customers already includes the contact details for the Energy and Water Ombudsman Victoria.

19 Do you support the need for prescribed requirements related to bill communications? Are there any practical implementation issues we should consider?

AGL does not believe that further regulatory intervention is necessary in relation to digital bill communication or summaries. This type of communication is intended to be succinct, easy-to-digest and straight to the point. AGL's digital bill summary which accompanies the full PDF bill attachment is designed with customer preferences and behaviours in mind. We prioritise the information that customers find most valuable and desirable.

If the Commission were to introduce prescriptive regulations as to what can or cannot appear on the digital bill summary, it would be difficult for retailers to remain innovative and responsive to changing customer needs.



Question

AGL Comments

Clarifying best offer obligations

20	Do you support our proposal for addressing accessibility and availability of best offers? Why or why not?	AGL supports the Commission's proposal to review the best offer terms and conditions and to provide clarity on discounts for bundled electricity and gas services. However, AGL will need more information on the Commission's proposal to define restricted offers in order to assess the impact and costs associated with redesigning or restructuring retailers' product portfolios.
21	In your opinion, is there a clear benefit in reviewing how deemed best offers are calculated?	While AGL does not have any specific feedback, we are open to the Commission undertaking a more targeted consultation on the best offer calculation.
22	Are you aware of any other issues with best offer obligations that this review could consider?	AGL has no further comments on the best offer obligations.

Accuracy of information on Victorian Energy Compare Website

23	Do you support the need to review relevant	AGL supports the Commission's proposal to review and define the terms 'discount', 'incentive', 'one-off-rebate', and 'sign-up credit' in the Code. AGL has observed that a difference in interpretation of these terms within the industry can impact the
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Question

AGL Comments

definitions in the code of practice or is this better managed through the Energy Fact Sheet Guidelines?

accuracy of the ranking of offers on VEC. Standardising these definitions may reduce the likelihood of information being misrepresented on VEC which can help create a more even playing field across all retailers. The Commission will need to ensure that Victorian terminology remains consistent with or does not substantially depart from the ACCC Reference Pricing requirements.

24 In your opinion, would there be any issues presented by prescribing a timeframe for removal of outdated offer information from Victorian Energy Compare?

AGL does not anticipate significant issues if the Commission were to prescribe a reasonable timeframe for the removal of outdated information from VEC. The Commission may wish to consider whether a longer timeframe or exception process may be appropriate to account for delays outside of the retailer's control.

We have previously made a number of recommendations to the Department of Energy, Environment, and Climate Action (DEECA, formerly, DELWP) for improving quality-of-life issues with the Victorian Retailer Portal (VRP) for VEC. While we understand that VRP functionality may sit beyond the scope of this Review, we encourage the Commission to work with DEECA to improve the end-user experience and ensure that the VRP can better support the Commission's proposal to remove outdated or unavailable retailer offers:

- **Bulk expire** – The NECF equivalent of VEC, Energy Made Easy, allows for the automatic expiry and removal of old offers. Currently in Victoria, the removal and updating of offers is a manual process requiring a substantial expenditure of time and effort. As it is a labour-intensive process, there is a risk of incorrectly expiring or removing a current offer/product. The capability to expire offers in bulk would streamline this process and address the issue that the Commission is seeking to resolve.
- **API** – Enabling API plug-ins would allow retailers to develop programs that can automate components of the offer management process. While EME does not currently have this functionality either, we strongly advocate for this in both jurisdictions as it could ensure a high degree of accuracy and minimal manual intervention in this process.
- **PDF to HTML** - VRP still requires retailers to extract and house PDFs while EME requires retailers to direct customers VEFS/BPIDs in HTML format. This will make it easier for retailers to better manage offers.



Question	AGL Comments	
Bill frequency obligations		
25	Do you consider that bill frequency obligations and best offer frequency obligations are not clearly aligned and require amendment to achieve consistency? Why or why not?	<p>Although the best offer frequency and billing frequency obligations are not fully aligned in the Code, we do not believe this creates significant barriers to compliance with the rules to warrant further changes to these obligations. Notwithstanding, we would be supportive of the Commission introducing clear exemptions on best offer messaging in cases where the delays are beyond the retailer's control.</p> <p>With respect to the best offer frequency obligations for gas, if the Commission were to reduce the frequency to once every 3 months (aligned to the billing frequency for Standard Retail Contracts) retailers would effectively need to include the best offer message for gas on every bill which would result in the gas best offer message being displayed even more frequently than electricity and it is unclear if this will drive higher customer uptake. AGL's recommendation is to retain the existing bill frequency and best offer message frequency requirements.</p>
26	Do you have any preferred options for achieving consistency between bill frequency obligations and best offer frequency obligations? What are the costs and benefits of those options?	AGL does not believe that bill frequency obligations are relevant or necessary as the majority of our customers on market retail contracts are subject to monthly billing.



Question

AGL Comments

Clarifying unclear definitions: Standard offers

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| 27 | What benefits do you see in limiting when a retailer can use the language of 'standard offers' for advertising? | See AGL's response to Question 28 below. |
| 28 | Do you think we should prohibit the term 'standard offer' when referring to market offers at the same price as a standing offer for gas? | <p>AGL is open to the Commission reviewing whether an exhaustive list of prohibited words or terms when marketing energy products will help customers distinguish the regulated Standard Retail Contract from other offers. As part of this process, there is a need to consider how far the prohibition should extend, i.e. should it apply to terms that carry similar connotations.</p> <p>The Commission also proposes that retailers could be required to advertise Market Retail Contracts under a specific term, for example 'market offer'. AGL does not believe that customers will be able to appreciate or understand the purpose of the term and it may generate further customer confusion.</p> |

Clarifying unclear definitions: Pay-by Date

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| 29 | In your opinion, should we define the term 'pay-by date' in the code of practice? Why or why not? | AGL does not consider this to be an issue or market failure in the energy retail industry which necessitates further regulatory intervention. |
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Question	AGL Comments
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30	Do you think clarifying the definition of pay-by-date will reduce scope for confusing communications, or are further interventions required (such as targeted training requirements)?	AGL has no further comments on this proposal.
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31	Do you believe that a 'pay-by date' should be extended when a retail customer has entered into a payment arrangement? Why or why not?	Yes, as AGL understands, when a customer enters into a payment arrangement, the original Pay-by Date of the bill is superseded by the terms of the repayment schedule.
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Clarifying unclear definitions: Arrange a disconnection		
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32	Do you consider that the term 'arrange a disconnection' could be clarified? Why or why not?	<p>AGL considers that the term 'arrange a disconnection' is sufficiently clear and accurately describes the retailer's role in effecting the de-energisation of supply. Further, energy retailers do not have the infrastructure, systems or processes to actually physically/remotely 'disconnect' the premises; they can only arrange for this to occur through the relevant distribution business.</p> <p>We do not consider that any overarching reforms to clarify the term 'arrange a disconnection' are necessary at this time and AGL prefers that consistency is retained between the NERR/NERL, the Code and the Victorian energy legislation. If the</p>
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Question

AGL Comments

Commission encounters a retailer applying an alternative interpretation of the term 'arrange a disconnection' it may wish to have a targeted discussion with them.

- 33 Are there other options to clarify in the code of practice that a service order for disconnection must be cancelled when a customer seeks payment assistance or is receiving payment assistance and is complying with the relevant terms?
- AGL would contend that the requirement to cancel a disconnection for non-payment service order when a customer seeks payment assistance from the retailer is implicit to the Code. AGL does not oppose this aspect being clarified within the rules, however, if the Commission were to incorporate this requirement into the Code, then the provision should also address what steps a retailer should take to cancel the pending disconnection and the timing for compliance with the obligation.
- In scenarios where a customer enters into a payment arrangement after receiving a disconnection warning notice and before a de-energisation, AGL will use best endeavours to immediately cancel a pending disconnection service order. However, the Commission will be aware that distributors' remote de-energisation process is largely automated and there are instances in which a request to cancel a service order by a retailer occurs too close in time proximity to the scheduled disconnection. This can occur where a customer contacts the retailer to seek payment assistance on the day of the scheduled disconnection. It would be desirable for the Commission to address this friction within the rules if introducing this provision into the Code.

Additional Retail Charges

- 34 Are there any implications we should consider when specifying that 'additional retail charges' are charges which must be set out in a market retail
- AGL already includes additional retail charges in our Market Retail Contract. These charges are laid out in our Fee Schedule, which form part of the Market Retail Contract. As the abolishment fee is an ancillary reference tariff for gas and is excluded under Clause 77(3)(b) of the Code from being an additional retail charge unless a retailer admin fee is applied on top of the distributor's fee, requiring additional retail charges to be included in market contracts would not achieve the objective of customers being made aware of the charge or receiving more information about it. This would be more effectively achieved by retailers or distributors providing information about the difference between Disconnection and Abolishment on their websites.



Question

AGL Comments

contract or exempt
person arrangement?

35	Are there any costs or benefits we should consider in relation to a retailer providing detailed information about the type of additional retail charges a customer is required to pay?	AGL has no further comments on this proposal.
36	Are there any other issues in standard retail contract terms and conditions that we should consider?	AGL has no further issues to raise in respect to standard retail contract terms.
37	Do you agree that retailer charges for gas abolishment, beyond the \$220 distributor abolishment fee, should be specified as an	AGL does not impose additional charges beyond the distributor gas abolishment fee and currently has no intention of recovering additional costs from the abolishment process.



Question

AGL Comments

'additional retail charge'? Why or why not?

Requirement to publish changes of tariffs and charges in newspapers

- | | | |
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| 38 | What are some of the costs, benefits or issues you see in publishing variations to tariffs online only (and not in newspapers)? | AGL has been a strong advocate of reforms which modernise the energy regulation framework and remove antiquated obligations. We support the removal of the requirement to publish changes of tariffs and charges in newspapers in Victoria. The Australian Energy Regulator also wrote to the Energy Minister as part of its Review into Regulatory Simplification to consider an amendment to the National Energy Retail Laws to remove requirement for energy retailers to publish standing offer price variations in a newspaper. |
|----|---|--|

Protections for embedded network customers

- | | | |
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| 39 | What are the costs and benefits of increasing protections to embedded network customers that buy electricity from retailers? | AGL does not actively offer services to off-market embedded network customers and has no feedback to provide. |
| 40 | What are the costs and benefits of extending | AGL has no further comments. |



Question

AGL Comments

family violence
protections to
embedded network
customers?

41	What are the costs and benefits of extending bill change alert obligations to embedded network customers?	AGL has no further comments.
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42	Do you have any comments on updating Schedule 5 and Schedule 6 of the code of practice to align with the updated General Exemption Order (GEO) 2022?	AGL has no further comments.
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Question

AGL Comments

Use of preferred communication method

- | | | |
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| 43 | In your view, when must preferred methods of customer communication be used? | The current preferred method of communication requirements relating to the issue of bills, price change and tariff change notices, as well as communicating with customers affected by family violence are appropriate. |
| 44 | Are there any costs or benefits that would arise from always requiring the use of preferred methods of communication with small customers? | AGL is not supportive of introducing a prohibition on using non-preferred or alternative methods of communication when attempting to contact the customer. The way that we engage and communicate with customers is dependent on the urgency and frequency of the correspondence. Restricting retailers' ability to communicate with customers using other channels carries a considerable level of harm depending on the purpose and intention of the communication. In the context of disconnection, payment and payment assistance it is desirable and often necessary to use all methods of contact with the customer if they are unreachable through their preferred method. |

Receipt of communications and notices

- | | | |
|----|--|---|
| 45 | Do you have any comments on aligning the code of practice with the 'presumed receipt' rules set out in the Electricity | AGL does not support aligning the Code with the presumed receipt requirements set out in the Electricity Distribution Code of Practice, as the Energy Retail Code of Practice already specifies that information sent by post is taken to be delivered in the ordinary course of the post. It is AGL's strong preference that presumed receipt obligations remain consistent with Australia Post's delivery timeframes. |
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Question

AGL Comments

Distribution Code of Practice?

We also note that Standard Model Terms and Conditions already specify that Notices and Bills under the SRC are taken to have been received by the customer on the date two days after they are posted.⁷ The National Energy Retail Rules have equivalent provisions for Standard Model Terms and Conditions in the NECF jurisdiction. Notice dispatch timeframes are already built into the processes for issuing letters and notices to these customers, as well as for customers on market Retail Contracts

We note that this proposal involves a departure from existing practices and would require significant resources, time and effort to operationalise and create unnecessary pressure and burdens for staff of retailers. For example, in the context of price change, given the short period between the release of the VDO and its effective date, the increased postage timeframes could make it difficult for retailers to meet their notice and bill change alert obligations.

Clarifying timelines for compliance with certain obligations

46 Do you have any comments on clarifying that if a last resort event occurs, retailers must cancel direct debit arrangements within one business day and not 'immediately'?

AGL has no further comments on this proposal.

⁷ Clause 17 of the Standard Retail Contract Model Terms and Conditions, Energy Retail Code of Practice;



Question

AGL Comments

- | | | |
|----|---|---|
| 47 | Do you have any comments on clarifying that a disconnection warning notice must be received by a customer rather than 'issued' before a retailer must provide clear and unambiguous information about available assistance? | <p>The Commission raised in the Issues Paper that there is “ambiguity in the current language” around disconnections being a measure of last resort of non-payment in the context of issuing a disconnection warning notice. AGL would welcome further information as to how this ambiguity is manifesting in the market and practical examples of the incorrect application of this rule.</p> <p>In changing the language from “after the issue of...” to “after the receipt...” it would be necessary to have deemed presumed provisions, which AGL does not recommend as discussed in Question 45 above.</p> <p>In any event, AGL questions whether the practical outcome will be any different than what is currently occurring as a result of this change. AGL has not encountered any issues relating to the application provision and we believe further evidence and discussion to substantiate that it is a material issue is warranted.</p> |
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Bulk hot water formulas

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| 48 | Do you have any comments on the current gas and electricity bulk hot water formulas set out in Schedule 4 of the code of practice? | AGL has no comments on the bulk hot water formulas. |
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Consequential amendments

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| 49 | Are there any other issues we should | AGL has been a longstanding advocate for the removal of electricity consumption benchmarks and greenhouse gas emissions information from customers' electricity bills, underscoring that from a customer experience and comprehension perspective, |
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Question

AGL Comments

consider as part of this review?

tailored and customer-specific information is generally preferred over generic or technical terminology such as industry wide or average based bill benchmarks. Based on AGL's experience and customer feedback received, the presentation of electricity consumption benchmarks have generated a substantial amount of confusion and complaints, with customers often failing to correctly interpret the intent and purpose of the consumption benchmarks and the relevance to their own household usage. In its rule change request to the AEMC, the AER observed that "...Electricity consumption benchmarks are not an appropriate reference point for a substantial proportion of consumers."⁸

The Commission will be aware that the AER's Better Bills Guideline has since removed the requirement for retailers to display bill benchmarking information on customers' bills in the NECF states, following which the Australian Energy Market Commission repealed Part 11 of the NERR requiring the AER to administer and update bill electricity consumption benchmarks every three years.

The Final Decision notes that the AER spoke to the Commission and DEECA staff as part of the consultation process who did not object to the change and said they will consider the outcomes.⁹ We consider this Review an opportune time to revisit the usefulness and desirability of bill benchmarking and greenhouse gas emission information on customers' invoices. AGL's recommendation is to remove these requirements from the bill content requirements under the Code.

⁸ Australian Energy Regulator, Rule change proposal to the Australian Energy Market Commission - electricity consumption benchmarks, 9 May 2023, page 2.

⁹ AEMC, Electricity Consumption Benchmarks, Rule determination, 17 August 2023, page ii.