



Essential Services Commission
8/570 Bourke Street
MELBOURNE VIC 3000

25 October 2021

Submitted via website: <https://engage.vic.gov.au/remaking-energy-retail-code-code-practice>

Essential Services Commission – Making an Energy Retail Code of Practice review

AGL Energy (AGL) appreciates the opportunity to provide feedback to the Essential Services Commission (the Commission) Making an Energy Retail Code of Practice review.

AGL welcomes the Commission starting to review the Energy Retail Code (the Code). However, we do not support the process of the review being primarily an administrative one. We appreciate the Commission is intending to make the Code a Code of Practice under the Essential Services Commission (ESC) Act so that it can ensure the Code of Practice is subject to the new enforcement powers the Energy Fairness Bill conveys on the Commission. AGL considers it is an appropriate time to also review and modernise the Code before it is made into a Code of Practice, so the Commission's new enforcement powers apply to a modernised Code of Practice.

The proposed administrative review is not aligned to the Commission's objective in the ESC Act in making decisions in the long-term interests of consumers. Subsequently, we believe the process will lead to sub-optimal consumer outcomes, including higher than necessary compliance and enforcement costs leading to higher energy costs for Victorian energy consumers. More concerning is that the Commission is not intending to carry out a fulsome review of the Code of Practice until at least 2026.

The Code was developed in the late 1990s as part of the Victorian Government's energy privatisation program and has only been subject to piecemeal reviews over the last 25 years, such as, the NECF harmonisation review, introduction of the Payment Difficulties Framework (PDF) and changes as a result of the Thwaites review.

Hence, the Code is outdated through inconsistent language (ie certain sections refer to consumer entitlements and other sections refer to retailer obligations); and clauses that are no longer aligned to how consumers interact with their retailer (for example, the billing requirements of the Code refer to the content of information on a paper based bill being delivered through postal services, whereas over 50% of consumers now receive their billing information digitally).

AGL sees no reason why the Commission cannot conduct a full review and modernise the Code before it makes it a Code of Practice. There is no Government policy announcement as to when the Code needs to be made into a Code of Practice, and the current Code can remain in place until the full review has been conducted.



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Notwithstanding the above comments, we offer the following observations with respect to the Commission's Consultation Paper:

- The Paper does not provide any information as to what will happen to current Guidance notes the Commission has issued as part of providing retailers with their interpretation of certain sections of the Code.
- The changes proposed will require AGL to update our compliance management system and ensure relevant business units are aware of and operate under the new clauses as outlined in the Code of Practice. As such, we recommend the Code of Practice not start until least July 2022, to allow this work to be carried out appropriately.
- While the Commission states it does not intend to make any policy changes, the proposed changes to the Code of Practice and the greenhouse gas emissions guideline appear to go beyond the scope of an administrative change.

If you would like to discuss any aspect of AGL's submission, please contact Con Hristodoulidis, Senior Manager Regulatory Strategy at christodoulidis@agl.com.au.

Yours sincerely,

Elizabeth Molyneux

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