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Independent Competition and Regulatory Commission
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ACT 2608

12 April 2021

Dear Dr Weier

ACT Retail Electricity (Transparency and Comparability) Code

ActewAGL welcomes the opportunity to comment on the Draft ACT Retail Electricity (Transparency and Comparability) Code and the Draft Report '*Improving the transparency and comparability of retail electricity offers*', published by the Independent Competition and Regulatory Commission on 10 March 2021.

The Draft Code and Report feature three new requirements that would change the way electricity retailers operate in the ACT market. These are the introduction of:

- A Reference Price for comparison of electricity offers;
- Better Offer Notifications for electricity customers; and
- An entitlement for customers to obtain clear advice.

ActewAGL has continued to emphasise its support for improving the transparency and comparability of offers in the ACT. However, relevant to implementation timeframes, these changes are being proposed at a time when retailers already have a number of other significant regulatory programs underway. Given the magnitude and complexity of these regulatory changes, resourcing and vendor constraints will impact the timeframes through which ActewAGL can deliver on some aspects of the Draft Code.

In the attached, ActewAGL suggests several alternative approaches and modifications to the Draft Code with a view to ensuring the most cost-effective, efficient and timely ways of achieving transparency and comparability outcomes, with consideration to resourcing, systems and processes.

If you wish to discuss any aspect of ActewAGL's submission, please contact [REDACTED] on [REDACTED]

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ActewAGL

ACT RETAIL ELECTRICITY (TRANSPARENCY AND COMPARABILITY) CODE

ActewAGL Retail submission to the
Independent Competition and Regulatory Commission

9 April 2021



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1. Introduction

ActewAGL Retail (ActewAGL) welcomes the opportunity to respond to the Independent Competition and Regulatory Commission's (ICRC's) Draft ACT Retail Electricity (Transparency and Comparability) Code (the Draft Code) and Draft Report '*Improving the transparency and comparability of retail electricity offers*', published on 10 March 2021.

The Draft Code follows the ICRC's Final Decision¹ on retail electricity prices for the 2020–24 period which recommended measures to increase the transparency and comparability of electricity offers in the ACT. The Draft Code and Draft Report include proposals to introduce a Reference Price comparison, Better Offer Notification and Clear Advice Entitlement.

ActewAGL supports the introduction of measures to increase customers' understanding of electricity offers, as stated previously in the response to the ICRC's price investigation for the 2020–24 period.²

It is important however, that the final approach ensures that the intended transparency and comparability outcomes are achieved through the least-cost, most efficient and timely approach.

There are currently potentially 'competing' obligations relevant to the changes proposed through this consultation. Parts of the current drafting are inconsistent with the equivalent arrangements for customers in other NECF jurisdictions, and ActewAGL notes the Australian Energy Market Commission (AEMC) recently published a final rule change directing the Australian Energy Regulator (AER) to establish a Billing Guideline focused on similar obligations for retailers.

Relevant to implementation timeframes, these changes are being proposed at a time when ActewAGL, along with other retailers, has a number of other significant regulatory programs already underway constraining resourcing, including access to critical vendors such as those supporting the billing system.

It is in this context that ActewAGL considers it not possible to implement the Code in full until at least 1 July 2022.

In the interest of improving transparency and comparability for better customer outcomes, ActewAGL is proposing several modifications through this submission that will simplify each of the Code components, making it possible for all parts of the Code to be implemented more efficiently and sooner, a better outcome for all.

¹ ICRC, June 2020, Retail electricity price investigation 2020–24 Final report: Report 9 of 2020

² ActewAGL, March 2020, ACT Retail Electricity Price Investigation 2020–24: ActewAGL Retail submission to the Independent Competition and Regulatory Commission Draft Decision



2. Reference price comparison requirements

ActewAGL is generally supportive of the introduction of a reference price for electricity, as stated previously in its submission to the ICRC's electricity price investigation for 2020–24.³

ActewAGL seeks timely advice regarding the proposed implementation timeframe and how the reference price is to be calculated and applied.

This information is essential to ActewAGL understanding the timeframe through which it can implement proposed changes as relevant to resources, systems and processes.

2.1 Role of the Minister in setting reference prices

The Draft Code is dependent on amendments made to the *Utilities Act 2000* to give the Minister the power to determine a Reference Price. Ministerial responsibility for setting Reference Prices reflects a significant change to the regulatory framework in the ACT, which otherwise requires ActewAGL to set standing offer prices within the percentage change allowed by the ICRC each year.

It is not currently clear the relationship the Ministerial Reference Price would have to ActewAGL's ICRC-approved standing offer tariffs, which the ICRC determines to reflect the cost of operating a hypothetically efficient retailer in the ACT (following a comprehensive and robust process to determine the allowed percentage change to the basket of standing offer prices).

It is also not currently known what methodology the Minister would use to set this Reference Price, and ActewAGL would be concerned if it resulted in a Reference Price higher or lower than ActewAGL's standing offer prices. A Reference Price different to ActewAGL's standing offer prices would introduce confusion for customers as the Reference Price would not reflect an actual offer available to customers.

Aligning an ACT Reference Price with standing offer tariffs would also be consistent with the Industry Code (for the model usage customer), and other offers would be expressed as a percentage off the Reference Price.⁴

ActewAGL has noted that relevant to implementation timeframes, these changes are being proposed at a time when ActewAGL, along with other retailers, has a number of other significant regulatory programs already underway constraining resourcing, including access to critical vendors such as those supporting the billing system.

ActewAGL's view is there appears to be insufficient time for a Reference Price to be determined independently of the ICRC's current price reset process and added to price variation notices, within the timeframes prescribed through the National Energy Retail Rules (NERR).

The time between the ICRC's Final Decision on annual price resets (usually towards the end of the first week in June), and the time that ActewAGL is required to commence informing customers of price changes, is around seven business days. ActewAGL commences the

³ ActewAGL, March 2020, ACT Retail Electricity Price Investigation 2020–24: ActewAGL Retail submission to the Independent Competition and Regulatory Commission Draft Decision p.29

⁴ Competition and Consumer (Industry Code - Electricity Retail) Regulations 2019. This Code sets a maximum price for certain electricity offers, which also forms a Reference Price for marketing activities. This Code is termed the Federal Code in the ICRC Draft Report.



process of sending price change notices to customers during mid-June. This is required to ensure retailers are compliant with their obligation to provide customers with at least five business days' notice of price changes by their preferred form of communication.⁵

2.2 Annual Model Usage determination

As noted, it is not currently known what methodology the Minister would use to set an ACT Reference Price. ActewAGL seeks timely clarification from the ICRC regarding the process and timing for obtaining the annual reference consumption, and the types of customer plans to which a Reference Price would apply.

ActewAGL's preference is retailers be advised of the annual reference consumption before standing offer tariffs are set. This would mean annual bill amounts for the 'model usage' customer do not vary by tariff type (i.e. single rate tariff, time-of-use tariff or step tariff). This is simpler for customers and more efficient for retailers from the perspective of marketing, systems and call centre activities. If tariffs are not set in this way, the percentage discount off the Reference Price will differ, depending on the tariff type.

The changes will need to consider that under the NERR, standing offer tariffs must be published ten business days prior to becoming effective and can only change once every six months.⁶ For further details, see Box 1: Potential approach to setting the ACT Reference Price.

Box 1: Potential approach to setting the ACT Reference Price

When setting 2021–22 standing offer tariffs, ActewAGL is seeking to avoid a scenario where annual bill amounts would differ for each tariff type. This occurred in year 1 of the Default Market Offer (DMO) being implemented and would occur using the current standing offer tariffs, as set out in Table 1. This situation can only be avoided if the annual reference consumption profiles are published before 2021–22 tariffs are set.

ActewAGL's proposed approach would reflect the approach applied in DMO jurisdictions (from DMO2 onwards) where the model usage customer pays the same annual bill amount regardless of whether they are assigned to a single rate or time-of-use tariff (Table 2 and Table 3).

If annual reference consumption profiles cannot be published before 2021–22 tariffs are set, then ActewAGL would prefer that the Reference Price comes into effect from 1 July 2022. This would allow retailers sufficient time to adjust their billing and other systems, as well as marketing assets, to allow customers to make comparisons to the Reference Price.

Table 1 Bill amount for ActewAGL standing offer customer, Evoenergy

	2019–20	2020–21	2021–22*
Home	\$1,935	\$1,870	n/a
Home TOU	\$1,908	\$1,862	n/a
Home Saver	\$1,941	\$1,889	n/a
Home Saver Plus	\$2,014	\$1,963	n/a
Home + CL	\$2,449	\$2,376	n/a
Home TOU + CL	\$2,422	\$2,368	n/a
Home Saver + CL	\$2,453	\$2,393	n/a
Home Saver Plus + CL	\$2,522	\$2,464	n/a

* Based on indicative usage amounts in ICRC Final Decision 2020–24

⁵ National Energy Retail Rules, 46 (4)

⁶ National Energy Retail Rules, Schedule 1 Model terms and conditions for standard retail contracts, Clause 8.2, Changes to tariffs and charges



Table 2 Bill amount for ActewAGL standing offer customer, Essential Energy

	2019–20	2020–21	2021–22*
Home	\$1,957	\$1,960	\$1,849
Home TOU	\$2,046	\$1,960	\$1,849
Home TOU Interval Meter	\$2,047	\$1,960	\$1,849
Home + CL	\$2,375	\$2,356	\$2,212
Home TOU + CL	\$2,464	\$2,356	\$2,212
Home TOU Interval Meter + CL	\$2,465	\$2,356	\$2,212

* 2021–22 based on AER draft decision

Table 3 Bill amount for ActewAGL standing offer customer, Endeavour Energy

	2019–20	2020–21	2021–22*
Home	\$1,720	\$1,711	\$1,575
Home TOU	\$2,025	\$1,711	\$1,575
Home Seasonal TOU	n/a	n/a	\$1,575
Home + CL	\$2,166	\$2,165	\$1,969
Home TOU + CL	\$2,471	\$2,165	\$1,969
Home Seasonal TOU + CL	n/a	n/a	\$1,969

* 2021–22 based on AER draft decision

The Draft Code does not currently outline the customer types to which the Reference Price would apply. ActewAGL's basket of standing offer tariffs includes the following tariff types:

- Single rate tariff
- Time-of-use tariff
- Step tariff
- kW demand tariff
- kVA demand tariff

By comparison with the Draft Code, the Industry Code is more explicit in its expectations of the types of customers that are covered by the reference pricing requirements. The Industry Code states that all residential customers on single rate and time-of-use tariffs (with and without controlled load), as well as business customers on a single rate tariff without controlled load, must have their offers compared to the appropriate Reference Price. The Industry Code also references an hourly usage profile from AEMO which allows the development of innovative retail tariff structures. ActewAGL considers that adopting the wording of the Industry Code is appropriate as it provides the clarity necessary to implement an effective Reference Price.

2.3 Implementation timeline

As has been noted, the ICRC's Draft Code and Draft Report do not currently outline timeframes for implementation.

ActewAGL would like to again highlight that the proposed changes will impact resources, systems and processes, in the context of what is already a congested program of regulatory changes already underway. Again, it is in this context that ActewAGL considers it not possible to implement the Code in full until at least 1 July 2022.

2.4 Status of exempt sellers

The Draft Code and Draft Report do not currently outline the applicability of reference pricing requirements to exempt sellers (i.e. embedded networks).



The number of embedded networks in the ACT is increasing. ActewAGL therefore considers that reference pricing requirements should also apply to exempt sellers, so that consumers in these networks (including apartment blocks, shopping centres and caravan parks) can also compare their prices to the Reference Price and engage with their embedded network operator to understand if a better deal is available.

2.5 Status of third-party sales channels

The Draft Code and Draft Report do not currently outline the applicability of reference pricing requirements to third party sales channels, such as agents, brokers and commercial comparison websites. If third party channels are not required to present offers with respect to a Reference Price, there will be an inconsistency in the way retailers and channels present electricity offers. This would detract from the objective of introducing a Reference Price to improve comparability of offers.

ActewAGL therefore considers the applicability of the Code to third party sales channels should resemble the arrangements proposed by the Energy & Water Ombudsman of NSW (EWON), as outlined in a submission to the Australian Competition and Consumer Commission (ACCC).⁷ EWON recommended the ACCC clarify how the Code applies to third party channels, and also recommended that the ACCC consider further amendments to the regulations to align the Code with the operation of the Australian Energy Regulator's (AER's) Retail Pricing Information Guidelines (RPIG).

2.6 Administration of green charges

ActewAGL seeks timely clarification regarding the difference between 'green products' and 'green charges' in the context of calculating the unconditional price. There is currently some misalignment in the regulatory treatment of optional green products in the Draft Code.

The Draft Report states:

“the unconditional price of an offer is the total amount including GST that a representative customer would be charged for the supply of electricity in the regulatory period at the offered prices, disregarding any conditional discounts. This means any charges, unconditional discounts, annual recurring fees such as membership and contribution fees, recurring metering charges, sign-up credits, and charges on green products are included in the unconditional price. The unconditional price does not include optional green charges or solar feed-in tariffs if applicable”.⁸

In contrast, the Industry Code states that optional green products, such as accredited GreenPower, do not form part of the calculation of the unconditional price. ActewAGL considers the best approach would be to align the ACT Code with the Industry Code.

⁷ EWON, 2020 Consultation on ACCC Guide to the Electricity Retail Code, Energy and Water Ombudsman NSW p2-4 Retrieved from <https://consultation.accc.gov.au/regulated-infrastructure/2020-consultation-accc-guide-to-elec-retail-code/results/energyandwaterombudsmannewsouthwalessubmission.pdf>

⁸ ICRC, March 2021, Draft Report: Improving the transparency and comparability of retail electricity offers p.15



3. Better Offer Notification

The Draft Code includes an obligation on electricity retailers to conduct a Better Offer Check, and regularly advise customers to make contact if a better offer is available.

The wording in the Draft Code raises several concerns for ActewAGL. The concept of a Better Offer Check is based on the Victorian Energy Code, which reflects the characteristics of that market. Victoria is not part of the National Energy Customer Framework (NECF) and has distinct differences to the ACT. Equivalent 'better offer' requirements do not currently exist under the NECF, which was adopted by the ACT in 2012.

ActewAGL's concerns with the Draft Code relating to the Better Offer Notification are listed below and subsequently discussed in detail.

1. Implementation timeline
2. Implementation costs
3. Potential for conflicts with federal rule changes
4. Better Offer Notification solely reflects cheaper offers
5. Administration of concessions
6. Administration of green charges.

3.1 Implementation timeline

The Draft Code does not advise when retailers will be required to commence performing the Better Offer Check and present associated notifications on customer bills.

These changes are proposed at a time when retailers already have significant resources and investment focussed on implementing regulatory changes from the Australian Energy Market Operator (AEMO), ACCC and the AER, including (but not limited to):

- 5-minute and global settlements
- Reducing customer switching times
- Consumer Data Right
- Business to business interactions: Electricity
- Business to business interactions: Gas

In this context, ActewAGL considers it will be difficult to introduce a Better Offer Check as drafted by the ICRC in the Draft Code, until at least 1 July 2022.

Combined, these regulatory changes are having a significant impact on resourcing, systems and processes. System changes require ActewAGL to implement "code freezes",⁹ which impact the ability to implement other additional changes. For most of the 2021 calendar year, ActewAGL will be subject to such freezes, which will prevent commencement of building the Better Offer Notification until December 2021.

At the ICRC's public forum on the Draft Code, a retailer also operating in Victoria noted a lead time of around 12 months was required to have systems in place to meet the requirements of the Victorian Government's Best Offer Check. Given the ICRC's Better Offer Check is

⁹ A code freeze is a point in time during the software development process where no changes are permitted to a portion or the entirety of a program's source code. Code freezes are often employed in the final stages of development when a particular release or iteration is being tested.



modelled on the Victorian approach, ActewAGL's view is that a similar period is needed for retailers operating in the ACT to have systems in place to be compliant with the ACT Code.

As an alternative solution, ActewAGL suggests the ACT Code requirement is the same message be placed on all customer bills prompting customers to engage with the market. The message would suggest contacting the current retailer and/or checking the retailer's website to ensure they are on the best available offer. This message would also promote the AER's Energy Made Easy website in a similar manner to that proposed in the Draft Code.

ActewAGL believes this would achieve the ICRC's intended outcome of ensuring customers are aware of any potentially better offers. Given this would still prompt customers to contact the retailer (as in the Draft Code), the opportunity remains for customers and retailers to have an informed discussion, considering the customers' personalised circumstances. This alternative approach does not have the significant system costs of creating two separate bill messages and assessing each customer individually to ascertain which message applies to them. It further ensures customer benefits are maintained while keeping the costs of implementation to a minimum and could be achieved by the end of the 2021 calendar year.

3.2 Implementation costs

ActewAGL does not agree with the ICRC's assessment that 'retailers should be able to readily implement the Better Offer Notification requirements with relatively low administrative cost'.

The ICRC bases this assumption on retailers operating in both ACT and NSW undertaking similar checks under the NSW Social Programs for Energy Code.¹⁰ The scale of these checks however, is not comparable. The NSW Social Programs for Energy Code applies only to residential customers receiving a concession, whereas the proposal in the Draft Code is likely (although not confirmed) to apply to all small customers, including both residential and small business.

With this considerable increase in scale, comes additional costs associated with establishing systems to process data. Compared to NSW, the ACT also features more tariff types that would need to be analysed to satisfy the requirements of the Better Offer Check.

The Better Offer Check outlined in the Draft Code will require ActewAGL to make changes to its billing system so it can gather customer usage data (basic meter and smart meter data, where available) and evaluate it against many different offers and tariff types, effectively shadow billing for many different combinations. A change of this magnitude would be costly to implement, and ActewAGL is concerned that the costs of such an undertaking will outweigh the benefits to ACT electricity customers.

3.3 Potential for conflicts with Federal changes

The AEMC has recently finalised a rule change relating to the contents and requirements of bills that will take effect in NECF jurisdictions, which include the ACT, from August 2022.¹¹ This rule requires the AER to make a Billing Guideline which specifies how retailers prepare and issue bills to small customers. This Guideline is due to be released no later than April 2022. The Better Offer Notification component of the Draft Code has the potential to conflict with this rule change.

¹⁰ ICRC, March 2021, Draft Report: Improving the transparency and comparability of retail electricity offers: Report 4 of 2021 p 21

¹¹ AEMC, April 2021, Rule Determination Bill Contents and Billing Requirements



Given the AER guideline will be released within the next 12 months and will take precedence if any conflict occurs, there is a potential for retailers to utilise resources and incur costs in implementing the ACT Code for changes that may be superseded in a short period of time by the AER Guideline.¹²

ActewAGL suggests postponing the introduction of the Better Offer component of the Draft Code until there is certainty regarding the outcomes of the AER's considerations relevant to a Billing Guideline. This will avoid the possibility of regulatory changes at the ACT level conflicting with regulatory changes at the Federal level and prevent unnecessary costs to customers.

3.4 Better offer notification solely reflects price

ActewAGL seeks confirmation that the Better Offer Notification is to be based solely on price. ActewAGL notes customers value a range of other product attributes. For example, ActewAGL offers bundled products and products to help customers manage their finances (e.g. Certain Saver), and attracts customers based on being a local business. These are not currently considered in the “best offer check”.

3.5 Administration of concessions

The Draft Code requires the Better Offer Check to be performed using the annual total cost, including discounts and deductions credited or received by the retailer under a Government-funded rebate, concession or relief scheme. This information is highly personalised and varies by customer. This obligation, as currently drafted would be costly to implement.

ActewAGL suggests when undertaking the Better Offer Check that Government rebates, concessions and reliefs are excluded from the annual total cost amount. Instead, these amounts could be considered when communicating directly with the customer as required under the Clear Advice Entitlement. This approach also supports ActewAGL's alternative approach outlined in section 3.2 above, ensuring implementation costs do not outweigh any potential customer benefit.

¹² Utilities Act 2000, Section 75D



4. Clear Advice Entitlement

The Draft Code includes an obligation on electricity retailers to ensure customers have the information they need to make an informed decision when selecting an electricity plan. ActewAGL supports the objective of providing small customers with clear timely and reliable information.

ActewAGL considers the Clear Advice Entitlement component of the Draft Code should be amended to remove several aspects of regulatory duplication. Three of the key obligations in Part 4 that apply to retailers under the Draft Code already apply under provisions of the NERR, National Energy Retail Law and Consumer Protection Code.

Of the draft obligations not already covered in existing provisions, ActewAGL considers these could be modified to be implemented more readily. Additional commentary is provided below.

4.1 Explicit informed consent

The Draft Code contains five clauses with respect to explicit informed consent, three of which ActewAGL is already subject to under the NERR. The three NERR clauses relate to conditional discounts (4.3 (1)(a)), price changes (4.3 (1) (b)) and benefit changes (4.3 (1) (c)).

Specifically:

- conditional discounts have been subject to regulation since a rule change proposed by Minister Taylor that came into force on 1 July 2020;¹³
- the regulation of price changes is already in place in the NERR;¹⁴ and
- the regulation of benefit changes reflects the AER's June 2018 Benefit Change Notice Guidelines.

ActewAGL considers these three components of the Draft Code are unnecessary as they duplicate existing obligations with which ActewAGL and other retailers are already required to comply.

The other two clauses, which are in addition to NERR requirements, are those relating to more suitable offers and changes in tariff structures. ActewAGL proposes several amendments as follows:

More suitable offers: ActewAGL suggests modifying subclause 4.3(1)(d) of the Draft Code to clarify that eligibility criteria may continue to be used. The term 'retail electricity offer' is broadly defined as 'an offer by a NERL retailer to a customer to supply electricity under a retail electricity contract'.

It is unclear if this subclause requires retailers to offer to customers plans that are targeted to an exclusive individual or group, when deciding on 'more suitable offers', even if a customer fails to meet the criteria of the offer. Recommending a plan to a customer that they are ineligible for would be non-sensical.

The Draft Report explains the plans that retailers must consider under subclause 4.3 (1) (d) of the Draft Code.¹⁵ The Draft Report uses an example of a retailer assigning a customer with a concession to a plan designed for concession holders. Retailers do not generally design

¹³ AEMC, 2020, Regulating Conditional Discounting

¹⁴ NERR 46A Variation of tariffs, charges or benefits to the customer

¹⁵ ICRC, March 2021, Improving the transparency and comparability of retail electricity offers: Report 4 of 2021 p.25



plans for concession holders, as the number of different concessions available would introduce considerable administrative burden by having to create multiple versions of the same pricing plan to accommodate every type of concession. Concessions are applied to customers regardless of plan or contract type (either standing or market offer contract) once their eligibility is established.

ActewAGL prefers the use of the term ‘generally available plan’ rather than ‘retail electricity offer’, to use the definition from Energy Made Easy website.¹⁶ This would address the concerns raised above, providing retailers and customers a greater degree of certainty than the ICRC’s draft wording.

Switching to a new tariff structure: ActewAGL suggests modification of subclause 4.3 (1)(e) to clarify that the requirement for retailers to outline the impact that a new tariff structure may have for a small customer, does not apply to customers with basic meter usage data.

In the ACT, most customers still have basic meters and many customers with smart meters have had the new meter for less than 12 months. As a result, for such customers, it is not possible to outline how much a time-of-use or demand tariff will cost compared to their existing flat tariff and make a recommendation to change.

Even in circumstances where 12 months of data is available for a customer, a retailer may suggest a plan that ultimately results in the customer paying more due to changes in usage patterns that could not have been reasonably predicted. For example, a customer being better off on a demand tariff looking over the last 12 months, may not be better off on a demand tariff the following year. Usage patterns change over time and can be influenced by lifestyle or changes in family circumstances, making accurate forecasting with any level of accuracy extremely difficult. In selecting a tariff structure, customer preference must also be considered. Many customers prefer the stability and simplicity of a flat tariff, even if it is demonstrated to be more expensive than alternatives.

4.2 Definition of charge types in the Draft Code

The Draft Code states that the minimum standards for clear advice do not apply to charges payable for distribution services, other than standard control services. ActewAGL interprets this to mean that the Clear Advice Entitlement does not apply to miscellaneous fees and charges that are charged by the distributor and regulated by the AER. ActewAGL agrees with this position, as there is a significant number of miscellaneous fees and charges that a distributor could charge a customer (via their retailer), and it is not practical for a retailer to disclose all of these fees at the time of signing up a customer to an offer. The full list of fees and charges can be found in Evoenergy’s annual pricing proposal.¹⁷

There are other miscellaneous fees customers may be charged which are not distributor charges, and ActewAGL suggests these also be excluded from the definition of charge types. These fees can include administrative fees (e.g. late payment fee, credit card processing fee) or fees from a third-party entity which ActewAGL may pass-through to customers.

There are also miscellaneous fees charged by Metering Coordinators to retailers for a range of services. Retailers have discretion to absorb these fees or pass them through to customers. It is not practical to inform customers of each of these fees before signing them up to a new contract because of the significant number of charges that exist. An outline of some of the fees charged by metering co-ordinators to retailers is below.

¹⁶ Energy Made Easy – Glossary. Retrieved 1 April 2021 from <https://www.energymadeeasy.gov.au/article/glossary>

¹⁷ Evoenergy 2020, Schedule of electricity network charges 2020-21



- Add 1-phase off peak
- Upgrade 1-phase to 3phase
- Replace 3-phase meter
- Remote Meter Reconfiguration
- Fault Rectification - Low Priority
- Sleeving existing cables
- High Gain Antenna Installation
- Metering Cable
- Wasted Visit
- Service Fuse / SPD / MPD including HRC
- Recover Abolished Metering
- Reseal Device(s)
- Tariff Change (remote)
- Site Read (ad hoc) - Metro
- Configure/Change Meter Equipment - Metro
- Meter Investigation - Test - Metro
- Meter Investigation - Inspect – Metro

ActewAGL requires clarification of the types of charges the Clear Advice Entitlement will apply to. The current drafting, which uses terminology unique to distributors, does not capture all the circumstances in which a retail customer may be charged.

4.3 Communication with customers

ActewAGL seeks clarification of clause 4.3(3) regarding ‘any information the NERL retailer has about a customer’ when providing clear advice. The current drafting suggests utilising information a customer provides during the signup process, as well as historical information a NERL retailer may have about a customer, to inform the clear advice retailers supply their customers.

The Draft Code appears to be drafted upon the assumption that retailers acquire customers through channels that facilitate detailed two-way communication with a customer, such as through a call centre. However, an increasing proportion of customers are engaging with retailers through digital platforms. Updating digital platforms to provide customers personalised tariff estimates based on historical information the retailer holds about that customer, would be costly to implement.



5. Alternative Drafting Suggestions for more efficient outcomes and compliance

ActewAGL is proposing several modifications to the Draft Code that would meet outlined objectives, but in a manner that can be implemented in a more efficient, lower cost and timely manner for positive outcomes for all.

5.1 Prices to be Compared to Reference Price

ActewAGL supports the objective of Part 2 of the Draft Code requiring retailers to compare offers against a Reference Price. ActewAGL would like to reiterate the following:

- ActewAGL considers the ACT Reference Price should be based on ActewAGL's ICRC-approved standing offer tariffs.
- Retailers should be advised of the annual reference consumption before setting standing offer tariffs to avoid any discrepancy between standing offers and the Reference Price.
- The types of customer plans that are covered by the reference pricing requirements should align with the customer types in the Industry Code.
- ActewAGL considers the Code should apply in relevant terms to exempt sellers, third party sales channels and green products (as outlined).

5.2 Better Offer Notification on Bills

ActewAGL suggests Part 3 of the Draft ACT Code be simplified to support a more timely, efficient and lower-cost implementation of transparency and comparability measures:

- Place the same message on all customer bills that prompts customers to engage with the market. The message would suggest contacting the current retailer or checking the retailer's website to ensure they are on the best available offer. This message would also promote the AER's Energy Made Easy website as proposed in the Draft Code.
- When undertaking the Better Offer Check, exclude government rebates, concessions and reliefs from the annual total cost amount.

If these suggested changes are adopted, the Better Offer Notification on Bills could be implemented by the end of the 2021 calendar year (noting however this could still result in conflicts arising with the proposal for an AER Billing Guideline expected during April 2022).

5.3 Customers Entitled to Clear Advice

ActewAGL suggests several modifications to the Draft Code to avoid duplication with existing regulations:



- Remove clauses relating to conditional discounts (4.3 (1) (a)), price changes (4.3 (1) (b)) and benefit changes (4.3 (1) (c)).
- Modify the subclause for more suitable offers 4.3(1)(d) to use the term 'generally available plan' rather than 'retail electricity offer' and to use the definition of 'generally available plan' from the Energy Made Easy website.
- Modify the subclause 4.3 (1) (e) to clarify that the requirement for retailers to outline the impact of a new tariff structure does not apply to customers with basic meter usage data.
- Modify the definitions for the types of charges that the Clear Advice Entitlement will apply to, so that all miscellaneous fees and charges are excluded.