



Stakeholder Information Session on the Energy Retail Code of Practice

6th November 2024



Acknowledgement of Country



Barring Djinang artwork by Jade Kennedy.
Reproduced with permission.

We would like to acknowledge the Traditional Owners of the Land we are meeting on today, the Wurundjeri people of the Kulin Nations. We acknowledge that sovereignty over this land was never ceded, and that this always was and always will be Aboriginal land. We pay our respects to their Elders past and present, and extend that respect to all Aboriginal people here today.

Housekeeping

Please:



Keep your microphone muted



Put questions into the Q&A



Raise your hand to ask a question during Q&A
- any questions not answered during session will be addressed afterwards



Note that this session is being recorded

Purpose



Provide an overview on our 2-stage approach to reviewing the Energy Retail Code of Practice.



Summarise the Energy and Climate Change Ministerial Council's (ECMC) proposed reforms.



Invite feedback on the proposed ECMC reforms in Victoria.

Context

Issues paper released in June 2024.

Protections for customers experiencing vulnerability

- Family violence protections
- Payment Difficulty Framework

Supporting choices of energy consumers

- Supporting customers who want to disconnect from gas
- Bill information requirements
- Best offer obligations

Pricing and contract protections

- Bill frequency obligations
- Clarifying definitions of certain terms (pay-by-date, standard offers, arrange a disconnection)

General updates and other changes

- Protections for embedded network customers
- Use of customers' preferred communication methods
- Bulk hot water formulas

Energy and Climate Change Ministerial Council (ECMC) proposed reforms

The ECMC's proposed reforms intend to:

- assist households access cheaper energy deals
- strengthen support for people experiencing payment difficulty.

These goals broadly align with feedback on our issues paper.

As a result, we are splitting our review into **two stages**:

- 1** Proposed ECMC reforms + EWOV's contact details on bills
- 2** Other reforms proposed in our issues paper

Proposed consumer reforms



1. Automatic best offer for customers experiencing payment difficulty



2. Improving the ability to switch to the best offer



3. Improving the application of concessions on bills



4. Extending protections for customers on legacy contracts



5. Improving awareness of independent dispute resolution services

1. Automatic best offer for customers experiencing payment difficulty

Why do we need to act?

- Increase in customers accessing tailored assistance.
- Customers receiving payment assistance on high-priced plans and not offered to switch to the best offer.

What outcomes do we want to achieve?

- Customers experiencing payment difficulty are receiving the best price their retailer can offer.
- Improving customer confidence.
- Reducing the amount of time customers are in debt.

What options are we considering?

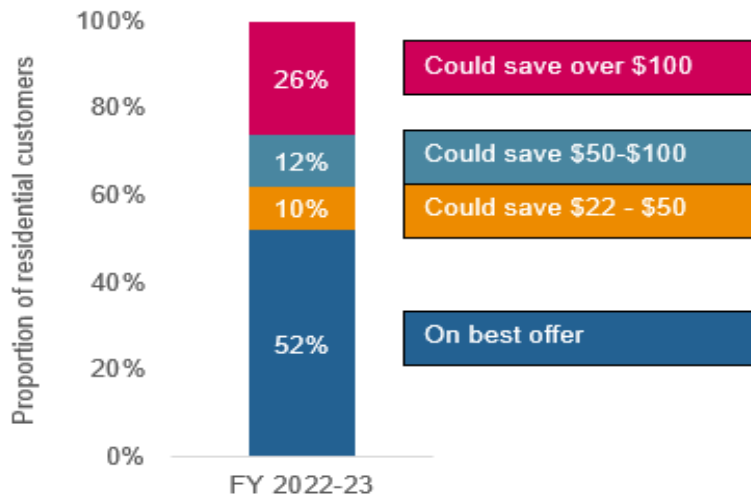
1. Crediting the difference between the current plan and the best offer.
2. Reducing tariffs to match the best offer.
3. Automated switching to the best offer.

Focus for consultation

- Explore options for moving customers experiencing payment difficulty to the retailer's best offer.
- Investigate which customers should be eligible to be automatically placed on the best offer.
- Consider safeguards that should be in place (including safeguards to maintain customer agency).
- Consider how trusted third parties could support switching.

2. Improving the ability to switch to the best offer

Why do we need to act?



What outcomes do we want to achieve?

- Reduce barriers for customers to switch to the best offer.
- Streamline process of switching to best offer.

What options are we considering?



Focus for consultation

- Assess potential barriers for consumers switching to the best offer.
- Explore how retailers could improve processes and means for customers switching to their best offer.
- Assess whether an outcomes-based or more prescriptive approach would lead to better consumer outcomes.
- Explore other ways to improve retailer's incentives so that more customers are on retailers' best deals (e.g. banning deals available only to new customers).

3. Improving the application of concessions on bills

Why do we need to act?

- Estimated 7% of electricity and 14% of gas customers eligible for a concession are not receiving it.
- Currently no requirement for retailers to proactively check if customers are eligible for concessions.

What outcomes do we want to achieve?

- Ensuring customers eligible for concessions are claiming it.
- Promoting proactive engagement by retailers to increase the application of concessions on energy bills.

What options are we considering?

Retailers proactively seeking customers' eligibility information at different points of contact with:

- new customers
- existing customers.

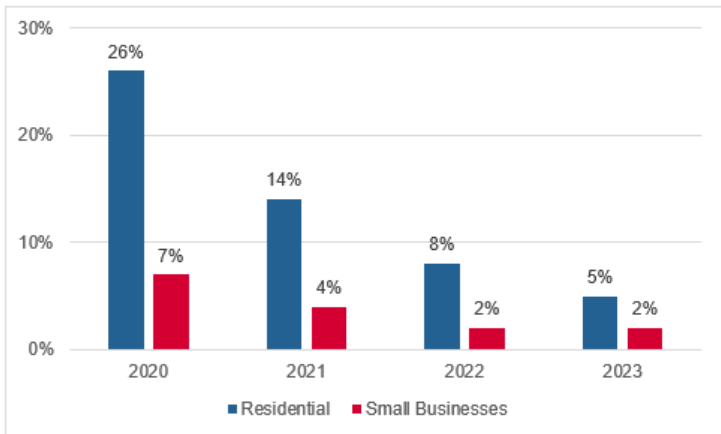
Focus for consultation

- Consider requirements for retailers to proactively seek information about customers' eligibility for concessions.
- Assess how requirements may apply under different consumer scenarios.

4. Extending protections for customers on legacy contracts

Why do we need to act?

Legacy contract electricity consumers with conditional pay-on-time discounts greater than 5%



What outcome do we want to achieve?

- Remove risk that customers may be exposed to high costs due to large conditional discounts or expiry of benefits mid-way through a contract.

What options are we considering?

1. Extending our 'ensuring contracts are clear and fair' reforms to contracts before 1 July 2020.
2. Limiting other conditional discounts and conditional fees to reasonable costs.
3. Prohibiting conditional discounts and conditional fees which discriminate between payment methods.

Focus for consultation

- Assess whether to extend the protections of our 'ensuring contracts are clear and fair' reforms to contracts entered into before 1 July 2020.
- Investigate whether there is a need to limit or prohibit other conditional discounts or conditional fees.

5. Improving awareness of independent dispute resolution services

Why do we need to act?

- 66% of Victorian consumers are not familiar with the free and independent dispute resolution services provided by the Energy and Water Ombudsman Victoria (EWOV).
- Victoria is the only state in the NEM where ombudsman's details are not required on the front page of bills.

What outcomes do we want to achieve?

- Increase consumer awareness of EWOV's services.
- Provide equal access to information about dispute resolution services for all consumers.

What options are we considering?

1. Requiring the inclusion of EWOV's phone number on the front page of bills.
2. Requiring the inclusion of EWOV's website on the front page of bills.
3. Requiring additional information related to ombudsman services on bills.
4. Requiring the inclusion of EWOV's contact details in the body of emails with bills or invoices.

Focus for consultation

- Assess options to improve consumer awareness of independent dispute resolution services (including place EWOV contact details on bills).
- No further alignment with AER's Better Bills Guideline until after a post-implementation review.

Our engagement process

Workshops

- Workshops planned for late-November and early-December.

Consumer focus groups

- We will test assumptions, options and preferences with consumer focus groups.

Submissions on Engage Victoria

- Written feedback to our discussion paper can be provided by 5pm on Tuesday **26 November**.

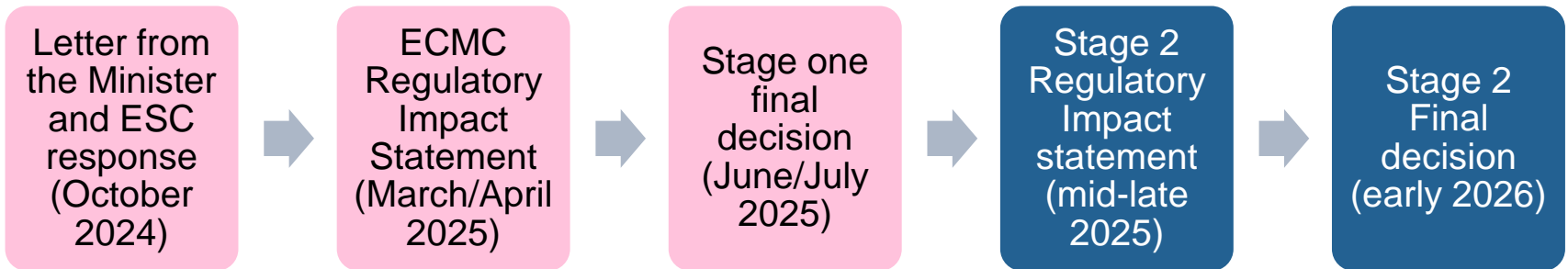
Consultation on a RIS

- We will consult on a Regulatory Impact Statement in early 2025.

Timeline

Stage 1 Reforms
October 2024 – June/July 2025

Stage 2 Reforms
July 2025 – Early 2026



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