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Melbourne VIC 3000

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Essential Services Commission  
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Email: [energyanalysis@esc.vic.gov.au](mailto:energyanalysis@esc.vic.gov.au)

Dear Essential Services Commission

### **Compliance & Performance Reporting Guideline updated to include new entitlements for customers**

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group or Powershop) thank the Essential Services Commission (ESC) for the opportunity to provide comments on the ESC's Compliance & Performance Reporting Guideline updated to include new entitlements for customers Draft Decision (the Decision).

#### Background on the MEA Group

MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. We opened our portfolio of generation assets with the Mt Millar Wind Farm in South Australia, followed by the Mt Mercer Wind Farm in Victoria. In early 2018 we acquired the Hume, Burrinjuck and Keepit hydroelectric power stations, further expanding our modes of generation. We have supplemented our asset portfolio by entering into a number of power purchase agreements with other renewable generators, and through this investment in new generation we have continued to support Australia's transition to renewable energy.

Powershop is an innovative retailer committed to providing lower prices for customers and which recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system. Over the last five years, Powershop has introduced a number of significant, innovative and customer-centric initiatives into the Victorian market, including the first mobile app that allows customers to monitor their usage, a peer-to-peer solar trading trial and a successful customer-led demand response program. Powershop has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton hydro project, and funding a large range of community and social enterprise energy projects through our Your Community Energy program.

Please find below our responses to the questions raised in the Decision.

#### Performance Reporting

MEA Group supports the ESC's definition of 'standard assistance' to formally exclude customers that are on generally available plans that are structured as prepaid / advance payment. Our Powershop 'shopper' model encourages customers to pay in advance to increase customer engagement in relation to their energy usage. Under the original definition, this offer would have technically met the criteria for standard assistance and we did not believe this was appropriate.

MEA Group also agrees with the reduction of the minimum \$55 requirement for tailored assistance and notes that the amendment reflects the intent of the Energy Retail Code (ERC).

Defining 'customer number' and 'account' is difficult and MEA Group acknowledges these terms could lead to inconsistent reporting between licensees. However, Powershop has reservations about the definitions used in the Guideline:

- Customer number – the ESC assumes that a customer that holds a gas and electricity account with the same retailer will have one unique customer identification number. This is not always the case. Powershop does not offer a 'dual fuel' experience with our customer's gas & electricity accounts identified separately (with different frequency of bills).  
Additionally, the ESC assumes a customer with multiple properties would have a single customer number. Our customers may have a different customer identification number for each of their properties – depending on the customer's preference to have bills invoiced separately or combined. MEA Group believes this definition should be set to 'customer', as opposed to 'customer number', thereby reducing ambiguity and ensuring consistency with the full Draft Decision.
- Account – Powershop seeks clarification in relation to how 'Account' is defined in the Decision. We believe that the performance indicator should only count one account per unique physical address. We have noted that this is not a count of NMI / MIRN and in our view is inherently confusing, since no addresses are identical in MSATS. For example, if a customer has a separately metered water pump at their premises, the water pump will not have the same physical address as the house as it would be identified as a pump. MEA Group believes that to ensure consistency, the account definition should be redefined as a NMI / MIRN count.

MEA Group does not support the requirement for licensees to report on both customer number and account number across several performance indicators relating to payment difficulty. The two numbers will be very similar so there is no material benefit for the ESC or for customers.

MEA Group believes that reporting the customer number is the most insightful data point in assessing payment difficulties and would be consistent with the National Energy Customer Framework (NECF) reporting requirements for retailers, and consequently reduce a retailers' costs to serve.

MEA Group notes that the ESC has made minor changes to the reporting of business customers by their load. MEA Group supports this change but seeks further clarification in relation to the definition of the 'total load' in the event that a full year of data not be available. MEA Group believes that where a full year of consumption data is not available, the underlying network tariff should be used as the most accurate indicator of consumption.

MEA Group seeks clarification in relation to the definition of the new indicator 'Customer read estimates submitted to retailer (self-read of meter)'. Our customer interface has always allowed customers to enter self-meter reads at their convenience to track consumption and help reduce estimated bills. Since the new self-meter read obligations were introduced on 1 July 2019, we have added a bill message notifying customers they can enter a self-meter read.

MEA Group seeks clarification as to whether the ESC requires all customer self-readings to be recorded and reported, or just those submitted as a result of the new 1 July 2019 obligations. MEA Group believes that this reporting indicator should only include customers that have exercised their right under the ERC.

### Compliance Reporting

MEA Group supports the majority of the new compliance indicators and understands that they are necessary for the ESC to regulate the 1 July 2019 updates to the ERC.

MEA Group seeks clarification relating to RB1423. MEA Group recognises that debt recovery actions could pose a serious risk of harm to customers affected by family violence. However, the proposed indicator is vague, making it difficult to achieve a unilateral approach to reporting. The obligation is classified as a Type One breach, therefore MEA Group believes refinement is necessary to ensure accurate and consistent reporting.

The ESC's classification of breaches is inconsistent with the NECF jurisdiction reporting obligations and fails to follow the recommendations made by the Australian Competition and Consumer Commission in its July 2018 Retail Electricity Pricing Inquiry. MEA Group understands the importance of ensuring that clear advice (RB1425) and best offer notification (RB1429-RB1431) helps customers understand their energy plans, however we believe the risk of material customer harm is not significant.

The NECF prioritises Type One breach reporting obligations to those incidents that would impose potential significant customer harm. MEA Group agrees with this approach (e.g. life support obligations, wrongful

disconnections and in some circumstances family violence). All other obligations should be classified as Type 2 or Type 3 depending on their potential customer impact. For example, we would suggest that a breach of best offer on a bill obligation would be classified as a Type 2 breach and a breach of record keeping requirements would be a Type 3 breach.

Balanced and sensible reporting requirements, aligned with NECF reporting obligations, is appropriate to ensure that a streamlined, more efficient reporting process is achieved.

If you have any queries or would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely,



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