



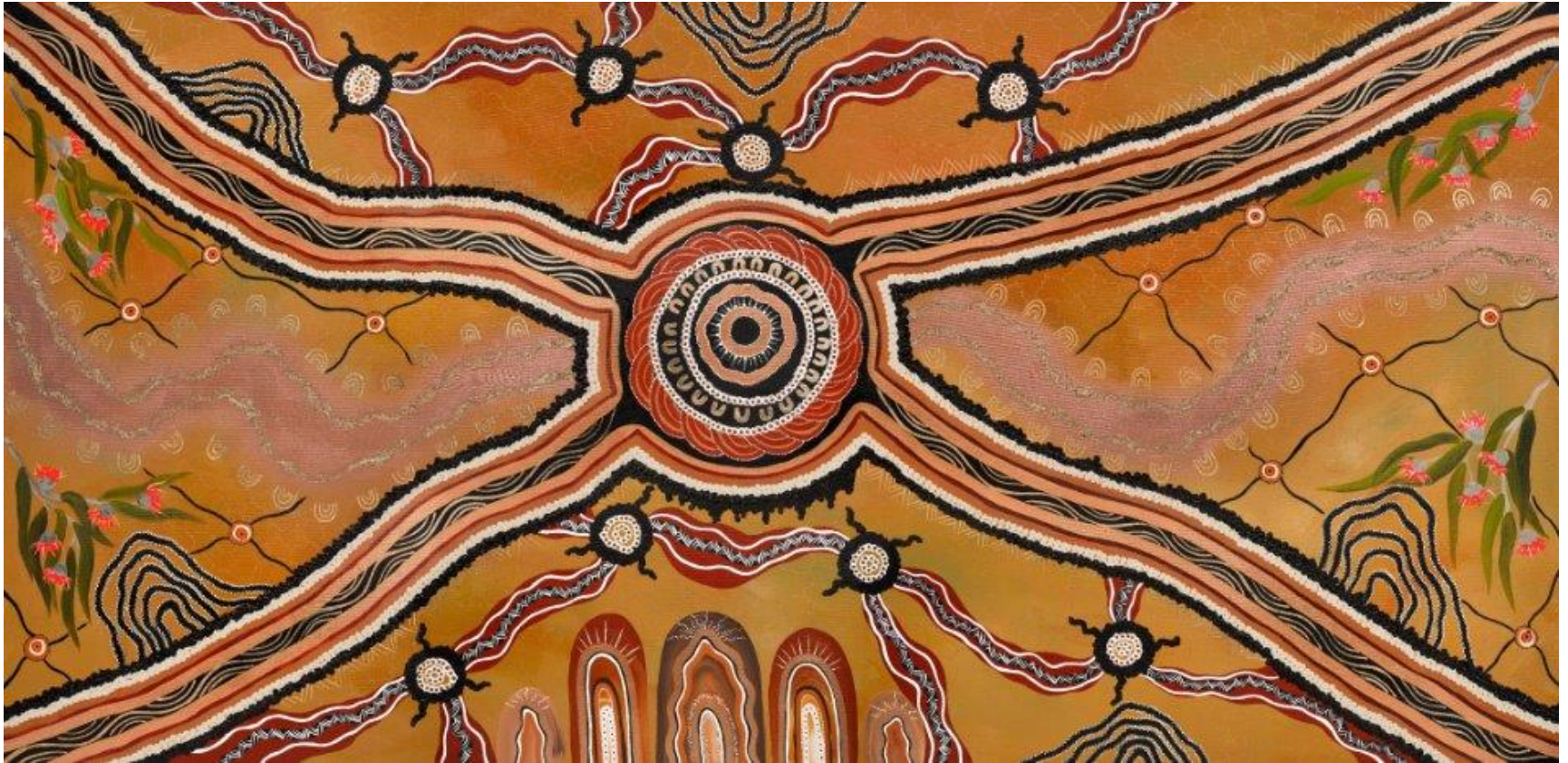
# Energy Retail Code of Practice Review

Issues paper  
information session

July 2024



# Acknowledgement of Country



Dill-ba-din Balluk Biik - Protect Community and Country by Wurundjeri, Yorta-Yorta artist Simone Thomson.  
Reproduced with permission.

# Purpose of this briefing

- Outline the Energy Retail Code of Practice, its purpose and context for the review.
- Explain our proposed approach to the review process, including how to get involved and key timelines.
- Highlight key issues and support your understanding for later stakeholder feedback.

# Our role

The Essential Services Commission is an independent regulator that promotes the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services.

Energy



Water



Victorian  
Energy  
Upgrades



Transport



Rate-capping  
for local  
government



# Project background

- The Energy Retail Code of Practice is made under section 47(1) of the *Essential Services Commission Act 2001*.
- The code of practice was last reviewed in 2021 to remake it from a code to a code of practice. This first version of the code of practice commenced on 1 March 2022.
- The code of practice applies to all retailers and to exempt persons in certain clauses.
- Issues for review have been prompted by legislative and regulatory changes and feedback from stakeholders.

# Our approach

- Release an issues paper which outlines our proposed focus areas for the review.
- Public feedback will help determine which areas should be our core focus including potential benefits, barriers and costs.
- Determine draft solutions via a regulatory impact statement and a draft amended code of practice.
- Public feedback on the potential solutions.
- Release of the final decision and new code of practice.



# Key themes of the review

**Protections for  
consumers  
experiencing  
vulnerability**

**Supporting the  
choices of energy  
consumers**

**Pricing and  
contract  
protections**

**General code of  
practice updates  
and other changes**

# Protections for consumers experiencing vulnerability



# Protections for consumers experiencing vulnerability



## Strengthening family violence protections

### Objective:

- Review existing rules to account for reforms in other jurisdictions only to the extent that changes will strengthen existing family violence protections in Victoria.

### Potential reforms:

- Considering adopting aspects of family violence requirements under National Energy Retail Rules such as:
  - definition of family violence to include carers and Aboriginal & Torres Strait Islander kinship relationships
  - requirements on businesses to avoid repeated disclosures from customers' experience of family violence
  - expanding debt management rules that apply to retailers transferring debt to 3<sup>rd</sup> party debt collectors.

# Protections for consumers experiencing vulnerability



## Payment difficulty framework – training requirements

### **Objective:**

- Strengthening payment difficulty framework training requirements to better support consumers experiencing vulnerability.

### **Potential reforms:**

- Extending payment difficulty framework training requirements to cover customers experiencing vulnerability or hardship.
- Requiring customer service staff to be appropriately trained to assist customers experiencing vulnerability or hardship issues.

# Protections for consumers experiencing vulnerability



## Accessibility of Utility Relief Grants (URGs) information

### Objectives:

- Receive feedback on whether there are any barriers for customers accessing URGs to know if further reforms are required.
- Assess whether URG obligations are being implemented as intended, or if further guidance could be provided.

### Potential reforms:

- Potentially amending obligations for retailers to:
  - provide customers with specific advice regarding any URGs and concessions available to residential customers
  - provide practical assistance to complete and lodge an URGs application.

# Protections for consumers experiencing vulnerability



## Assistance and information on energy efficiency

### **Objective:**

- Improve how retailers provide tailored energy efficiency information and practical assistance to customers to assist in reducing their energy usage.

### **Potential reforms:**

- Strengthening current obligations to provide customers practical assistance.
- Linking retailers with existing energy efficiency programs (such as Victorian Energy Upgrades program).

# Supporting the choices of energy consumers

# Supporting the choices of energy consumers



## Supporting customers who want to disconnect from gas

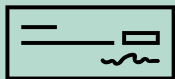
### Objectives:

- Update disconnection requirements to align with new policy context.
- Distinguish/define disconnections and abolishments.
- Introduce requirements on retailers related to gas abolishment.

### Potential reforms:

- Require retailers to provide information to customers on disconnections and abolishments.
- Establish timelines for when a retailer must pass.  
on a gas abolishment request to a distributor.
- Require retailers to publish information on the type of gas that may be supplied to a customer's premises.

# Supporting the choices of energy consumers



## Bill information requirements

### Objectives:

- Reduce complexity for small customers in reading, and making sense of, their regular energy bills.
- Improve the accessibility of key information, such as ombudsman details and best offer messaging.

### Potential reforms:

- Alignment with the Australian Energy Regulator's Better Bills Guideline (including full or partial alignment).
- Address bill communication requirements aligned to a customer's preferred communication method (for example, potentially including a best offer message in the email bill as well as the PDF bill).

# Supporting the choices of energy consumers



## Best offer obligations

### **Objective:**

- Support customers to evaluate the ongoing suitability of their current energy plan(s), by facilitating improved access to best offers.

### **Potential reforms:**

- Clarify the definition of restricted plans (not a 'lowest cost generally available offer' for the purposes of the deemed best offer as available by invitation-only).
- Clarify that discounts for bundled gas & electricity plans do not apply to deemed best offers.
- Prescribe requirements for simple, accessible language when communicating best offers (including in contract terms & conditions).



# Supporting the choices of energy consumers



## Accuracy of information on Victorian Energy Compare (VEC)

### Objectives:

- Support improved accuracy of offer information across VEC.
- Support consistency of best offer information on VEC and retailer websites compared to energy bills.

### Potential reforms:

- Review obligations on retailers to provide accurate information to VEC. This would require defining key terms in the code of practice such as 'discount', 'incentive', 'one-off-rebate', 'one-off credit' and 'sign-up credit' and reviewing for consistency with the Energy Fact Sheet Guidelines.
- Clarify timeframes for the removal of out-of-date information from retailers' own websites and VEC (i.e. would need to remove expired or unavailable offers from both platforms within one business day of the offer(s) ceasing to be available).

# Pricing and contract protections

# Pricing and contract protections



## **Clarifying unclear definitions: pay-by-date**

### **Objective:**

- Reduce confusion around the obligations on a retailer regarding issuing reminder notices once a customer has entered into a payment arrangement.
- Reduce confusion caused by customers receiving information on payment assistance multiple times to satisfy obligations, given the definition of 'pay-by-date'.

### **Potential reforms:**

- Define 'pay-by-date' and related timings in the code of practice to clarify when reminder notices and information about assistance should be provided to customers.
- Allow retailers to tailor communications to a customer's individual circumstances to avoid confusing customers.

# Pricing and contract protections



## **Clarifying unclear definitions: arrange a disconnection**

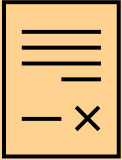
### **Objective:**

- Address inconsistent understanding of the term ‘arrange a disconnection’ and the actions it involves, to avoid wrongful disconnections. This involves considering the time that elapses between a retailer issuing a disconnection request and a customer being disconnected, and the impact of a customer entering a payment plan.

### **Potential reforms:**

- Change the phrase ‘arrange a disconnection’ to ‘disconnect’.
- Alternatively, separately clarify that a service order for a disconnection must be cancelled when a customer seeks payment assistance or is receiving payment assistance and is complying with the relevant terms.

# Pricing and contract protections



## **Disclosure of additional retail charges in contract terms and conditions**

### **Objective:**

- Clarify whether 'additional retail charges' are charges which must be set out in a market retail contract or exempt person arrangement.
- Promote consumer awareness of additional retail charges and support them in gaining more detailed information about these charges.

### **Potential reforms:**

- Include 'additional retail charges' as charges which must be set out in a market retail contract or exempt person arrangement.
- Require retailers to provide information about specific retail charges to help customers better understand their energy bills.

# General amendments to the code of practice

# General amendments to the code of practice



## Protections for embedded network customers

### Objective:

- Align with the General Exemption Order 2022.
- Strengthen safeguards for embedded network customers that buy electricity from licensed retailers to align with protections for embedded network customers that buy electricity from exempt sellers.

### Potential reforms:

- Update Schedule 5 and 6 of the code of practice to align terms and definitions with the General Exemption Order 2022.
- Amend provisions which regulate retailers selling electricity within embedded networks.
- Extend family violence protections to embedded network customers.
- Extend bill change alert requirements to embedded network customers.

# General amendments to the code of practice



## Use of preferred communication method

### **Objective:**

- Improve communication from a retailer to a customer on payment difficulty assistance and disconnection of premises.
- Increase the enforceability of rules around communication without significantly increasing retailer administrative burden.

### **Potential reforms:**

- Require retailers to contact a customer using their preferred method of communication to discuss assistance for payment difficulty and disconnection of premises.
- Allow flexibility for a retailer to use other methods of communication when a customer is not contactable via their preferred communication method.



# General amendments to the code of practice



## Clarifying timelines for compliance with certain obligations

### **Objective:**

- Specify timelines for compliance with obligations related to:
  - payment methods if a last resort event occurs
  - disconnection as a last resort for non-payment.

### **Potential reforms:**

- Replace the term 'immediately' with 'within one business day' to describe when a retail must cancel a customer's direct debit arrangement if a last resort event occurs.
- Replace the term 'after the issue of the disconnection warning notice' with 'after the receipt of the disconnection warning notice by the residential customer' when a retailer wants to disconnect a customer.

# How to give us your feedback?

## We are looking for feedback which:

- considers the barriers, costs and anticipated benefits of potential reforms for stakeholders through submissions and responses to the Issues paper.
- informs us about energy consumers' experiences, preferences and challenges through the survey on Engage Victoria.

## Resources

- You can provide your feedback by uploading a submission, taking the survey, or by making general comments over email, mail or phone.
  - Email: **[energyreform@esc.vic.gov.au](mailto:energyreform@esc.vic.gov.au)**
  - Mail: Essential Services Commission, Level 8, 570 Bourke Street, Melbourne Victoria 3000
  - Phone: +61 3 9032 6290
- To complete the survey or upload a submission please visit:  
**<https://engage.vic.gov.au/energy-retail-code-of-practice-review>**



## Next steps

- Consultation on the issue paper closes at **5:00pm on 19 July 2024.**
- Individual meetings with stakeholders will commence following the consultation period.
- We will publish a consultation summary.
- Submissions will be considered when preparing a Regulatory Impact Statement.

# Questions



# Contact us

 <b>ESSENTIAL SERVICES COMMISSION</b>	<a href="http://www.esc.vic.gov.au">www.esc.vic.gov.au</a> (+61) 03 9032 1300
	<a href="https://www.linkedin.com/company/essential-services-commission">/company/essential-services-commission</a>
	<a href="https://twitter.com/EssentialVic">@EssentialVic</a>

We welcome your views, perspectives and experience.

If you would like to engage with us as we develop the final Energy Retail Code of Practice, contact us via [\*\*energyreform@esc.vic.gov.au\*\*](mailto:energyreform@esc.vic.gov.au)