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Queensland Competition Authority

Review of Guaranteed Service Levels

Submitted online

AGL Energy (AGL) welcomes the opportunity to comment on the Queensland Competition Authority 2020 Review of Guaranteed Service Levels (GSLs).

AGL is one of Australia's leading integrated energy companies and largest ASX listed owner, operator and developer of renewable generation. AGL is also a significant retailer of energy, providing energy solutions to over 3.6 million customers accounts throughout eastern Australia. AGL is a customer-focussed business and we endeavour to provide customers with products and services that best meet their diverse wants and needs.

AGL understand that there may be potential for interruption GSLs to be extended to retailers following the Power of Choice reforms, however it is important that the QCA consider a framework that is fit-for-purpose under this new framework.

There have been a few implementation concerns since Power of Choice began in December 2017, however there is substantial work occurring to address these matters, such as the recent rule change requests regarding metering installation timeframes.¹ While there is uncertainty in the industry, with ongoing work to amend the Power of Choice operation, we caution against applying a compliance framework on to other entities.

AGL strongly encourage the QCA to run a separate consultation process if there is appetite to extend GSLs to retailers. A separate consultation will ensure that all relevant bodies are communicated with and given an opportunity to provide relevant information to the QCA that will help inform a full cost-benefit analysis and fit-for-purpose assessment.

While GSL payments provide some financial recognition to customers who have received poor reliability or service from distributors, their main function is to provide a compliance cost for those who do not meet a certain standard. AGL consider that requiring the GSL framework on retailers on top of the current mechanisms for compliance is currently unfounded.

Should you have any questions or comments, please contact Kathryn Burela on (03) 9273 8654 or kburela@agl.com.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Con Hristodoulidis'.

Con Hristodoulidis

Senior Manager Regulatory Strategy

¹ <https://www.aemc.gov.au/rule-changes/metering-installation-timeframes>