

Submission to The Energy Charter Draft Consultation Paper

Energy Networks Australia

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Energy Networks Australia

Energy Networks Australia is the peak national body representing gas distribution and electricity transmission and distribution businesses throughout Australia.

With more than 10 million electricity and five million gas customer connections, Australia's energy networks provide the final step in the safe and reliable delivery of gas and electricity to households, businesses and industries.

We welcome the opportunity to provide this submission in response to the Consultation Draft of the Energy Charter.

Transforming the energy sector

Our energy sector has been undergoing a massive transformation over recent years from a centralised system to an evolving grid where demand for renewable connections continues to grow.

While undertaking this transition, we continue to deal with the energy trilemma – finding the right balance between energy affordability, reliability and sustainability – in a highly unstable political environment.

There are widely varying views held on how to get the best outcomes for our community in the long-term. The ACCC's Retail Electricity Pricing Inquiry final report has made 56 recommendations on how to improve the National Electricity Market, noting that the current situation is unacceptable and unsustainable. The Australian Government has signalled support for some key recommendations, but has not provided a detailed response as yet.

Putting the customer at the centre

Energy Networks Australia welcomes the development of the Energy Charter as a way for the energy industry to articulate its collective vision to improve outcomes for customers.

Our members are committed to building trust and confidence in the energy sector by placing the customer at the centre of their businesses and continuing to ensure that the network sector delivers infrastructure and services that provide the best short and long-term results for customers. Network costs have been falling across the country over the past five years.

The five principles at the centre of the Energy Charter outline a vision intended to help drive cultural change and guide decision making:

1. We will put customers at the centre of our business and the energy system
2. We will improve energy affordability for customers
3. We will provide energy reliably, safely and sustainably
4. We will improve the customer experience
5. We will support customers in vulnerable circumstances

Energy Networks Australia endorses the five principles. They represent values that are being actively pursued by our member businesses, which have embraced the need to adopt a more customer-centric culture.

This cultural shift over recent years is noteworthy for networks, which historically have had little customer interface. A great deal of work has been undertaken to place the customer at the centre of their businesses.

There has been a large focus on engaging with consumers, other end users and their advocates, to understand their needs. This has guided decision making and been particularly important as organisations negotiate regulatory price reviews.

While the five overarching principles of the Energy Charter are supported, our members have a range of business ownership and reporting structures and are at different stages of maturity in relation to the development of their customer practices. It is important all organisations are given adequate time to appropriately consider the commitment they are undertaking should they agree to sign up to the Charter, especially those who have not been involved in its development.

Reporting requirement

Energy network businesses already operate in a highly regulated environment with a comprehensive suite of legislative, regulatory and other reporting requirements across multiple jurisdictions.

While Energy Networks Australia recognises the importance of some mechanism to measure the performance of signatories to the Energy Charter we are wary of creating additional onerous reporting obligations that may be resource intensive and duplicative of existing practices.

- We support proposals to investigate what measures and metrics are already collected and reported on by businesses that could also be used to report against the Charter principles and principles in action.
- We support proposals to consider what measures could be adopted across the energy supply chain, rather than just the industry itself.

Energy Networks Australia is interested to observe how the reporting measures and metrics are devised and how they will evolve over time, including what detail will be required in the disclosure templates being developed.

Governance

Energy Networks Australia notes the accountability framework that has been proposed to oversee how businesses that commit to the Energy Charter will be evaluated. While the need for a framework is acknowledged, we note that any costs associated with creating additional bureaucracy should be kept to a minimum and should be outweighed by clear customer benefits, as these costs will ultimately will be borne by consumers.

Observations

Energy Networks Australia would like to recognise its member organisations for their work in helping develop the Charter to this stage through their participation in the Industry Working Group.

We would also like to thank the Energy Charter Project Team for granting Energy Networks Australia observer status which has allowed us to keep abreast of how the Charter has been developing and share this information with our members who are not signatories.