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Attention: Mr Drew Butterworth

Australian Energy Market Commission

By Online Submission and Email: Drew.Butterworth@aemc.gov.au

Reference Code: ERC0412

28 April 2025

Dear Drew,

Minor Rule Change – Accelerating Smart Meter Deployment (ASMD)

AGL Energy (AGL) welcomes the opportunity to provide feedback to the Australian Energy Market Commission (the AEMC) in response to the abovementioned Minor Rule Change (the Minor Rule Change).

While AGL notes that the Minor Rule Change seeks to address multiple issues spanning several distinct rule changes, our response is confined specifically to rectification of the standard retail contract opt-out provisions of the ASMD rule change. To the extent that AGL makes no submission on the other issues, no inference should be drawn in relation to AGL's position on those matters.

AGL agrees with the overarching need to make corrective amendments to the 'model terms and conditions for standard retail contracts' contained within Schedule 1 of the *National Energy Retail Rules* (the Model Terms). These revisions will be critical to ensure consistency between the Model Terms and complementary changes implemented through the ASMD final decision. However, AGL disagrees with elements of the AEMC's proposed approach for remediating this drafting error – most notably the customer notification requirements and associated timeline. AGL's detailed feedback on the elements of the Minor Rule Change is as follows:

1. Amendment to Standard Retail Contract Model Terms

AGL agrees with the AEMC's proposed substituted wording for clause 11(d) of the Model Terms as proposed within Schedule 1 of the *National Energy Retail Amendment (Minor Rule 1) Rule 2025* (the Amending Rule).

2. Variation Date

While AGL is broadly supportive of the AEMC's proposed variation date of *no later than* 1 September 2025 in rule 3 of Schedule 4 of the Amending Rule, in light of the fact that a final decision is not expected before 29 May 2025 and there are significant issues to resolve on the customer communications, AGL instead recommends an extended transitional timeframe of *no later than* 1 October 2025. AGL notes that the legacy meter replacement plan requirements of the ASMD rule change do not commence until 1 December 2025 and as such, this recommendation would not impede on the smart meter deployment rule change timeframes.

3. Customer Notification

AGL disagrees with the proposed customer notification requirements in rule 2 of Schedule 4 of the Amending Rule. The AEMC's proposed approach to customer communications requires the development and dispatch of bespoke, standalone customer communications to all small market standard retail offer electricity customers in the National Electricity Customer Framework (NECF) jurisdictions, including those customers who already have a smart meter at their premises.



Moreso, the proposed approach requires the customer notification to (a) specify the nature of the variation to the Model Terms, (b) specify the date on which the variation takes effect and (c) explain the interaction between the variation date and the date on which corresponding changes to rule 59A commenced under the ASMD rule change. In the circumstances, AGL disagrees with this approach on the basis that:

- a. The communication will be extremely confusing and unnecessarily complex – consumers should not be expected to decipher the interaction between various rule changes impacting the *National Energy Retail Rules*.
- b. It creates additional operational challenges and pressures on retailers within a tight timetable that is not practically workable, especially when retailers are already stretched delivering requirements for the substantive ASMD rule change (amongst other regulatory changes).
- c. It seeks to transfer the onus and cost for remediating the unfortunate drafting error onto retailers and in turn, energy consumers. These unnecessary costs could be avoided by adopting AGL's recommended approach as outlined below.

4. AGL's Recommended Approach

Having regard to the concerns outlined above, it is AGL's preferred and recommended approach to remove the prescription currently contained with rule 2 of Schedule 4 of the Amending Rule and instead, allow retailers ultimate discretion and flexibility in the means, form and channel by which the variation is communicated (save for adhering to the revised variation date as discussed above) through a principles-based obligation.

For example, this could enable a retailer to communicate a variation in a concise message describing the variation and when it takes effect and providing customers with a URL link to the updated terms and conditions. This message could potentially be added to an existing communication the retailer plans to send each affected customer. We believe this is the most effective and efficient means of communicating this change to impacted consumers.

If you have any questions in relation to this submission, please contact Liam Jones on ljones3@agl.com.au.

Yours sincerely,

A handwritten signature in black ink that reads 'Liam Jones'.

Liam Jones
Senior Manager Policy and Market Regulation