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Australian Energy Market Commission

Level 15, 60 Castlereagh St

Sydney NSW 2000

30 July 2026

Dear Sir or Madam,

Streamlining Payment Difficulty Protections (RRC0075)

AGL Energy (AGL) welcomes the opportunity to provide responses to the Australian Energy Market Commission's (AEMC) draft determinations on Streamlining Payment Difficulty Protections.

AGL appreciates the work the proponent, the Australian Energy Regulator (AER) has undertaken as part of their Review of payment difficulty protections in the National Energy Customer Framework, to produce these rule changes, ensuring that the rule changes are considerate of industry feedback.

As one of Australia's largest energy retailers, we continue to recognise and support customers experiencing payment difficulty, understanding the growing impact energy bills can have on their day-to-day lives, and we support customers in several ways including providing direct financial assistance, including bill credits, payment matching and debt relief for customers experiencing financial difficulty.

AGL broadly supports the AEMC's draft determinations and their focus on improving support for customers facing payment difficulty and ensuring they receive appropriate assistance. We have, however, identified improvements and opportunities for clarification, which our submission sets out:

Our key feedback includes:

- Clarifying situations when a retailer is taken to have disconnected a customer where a disconnection request is validly issued but then cancelled with no interruption to supply, so that these cancellations are recognised in practice and not treated as compliance breaches.
- Supporting improved customer access to payment difficulty assistance. Whether a customer asks for help, or a retailer identifies that a customer may be experiencing payment difficulty, should not determine the level of support available to them.
- Ensuring customers have clear, understandable information on the support options available, both on websites and on reminder and disconnection notices.
- Supporting contact through multiple methods before disconnection for non-payment, but only where methods beyond post or in person are available, and excluding customers affected by family or domestic violence, who can only receive communications through their preferred contact method.
- Providing at least twelve months to implement any changes, given the high volume of regulatory change retailers currently face, to allow appropriate resourcing and minimise costs that flow through to customers.

About AGL

Proudly Australian since 1837, AGL delivers around 4.6 million gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. AGL operates the largest electricity generation portfolio in Australia of any ASX-listed company, with a total operated generation capacity of almost 8000 MW across Australia. AGL is Australia's largest privately-owned hydro power station operator and operates the largest portfolio of renewables and storage assets of any ASX listed company. Since 2006, AGL has invested billions of dollars in the construction and delivery of over 2 GW of renewable and firming capacity in the National Electricity Market.

If you would like to discuss any aspect of AGL's submission, please contact Brandon Hoogendorp at bhoogendorp@agl.com.au

Yours sincerely,

Liam Jones

Senior Manager Policy and Market Regulation

AGL Energy

Theme 1: Clarifying and strengthening disconnection protections to better serve customers

Clarifying the time when a retailer is taken as disconnecting a customer's premises

AGL supports measures to ensure that disconnections for non-payment only occur as a measure of last resort and while we understand the AEMC is seeking to introduce greater uniformity to the rules on disconnection, we consider that the proposed drafting may create complexity, particularly when interpreted alongside other rules.

There are restrictions contained in r. 116(1) on when a customer may be disconnected that are also linked to the actual disconnection event, not just the point at which a disconnection can be initiated. This reflects the practical reality that arranging a disconnection is a process which occurs over an extended period and involves multiple parties. The proposed inclusion of r. 107(6) may have unintended interactions with r. 116(1), creating the possible interpretation that protections only apply at the point of a request for disconnection being made and not throughout the complete process of a disconnection request.

Based on AGL's existing approach to disconnections, we do not consider that the proposed amendment would guarantee stronger customer protections. AGL considers that the protections apply at the point it is raised *and* continues to apply these until the point the disconnection is completed, monitoring for any relevant changes. At worst, this change may introduce ambiguity and create circumstances in which conduct that has historically been reportable could in future be interpreted as consistent with the rules, or the inverse.

Some examples of the ambiguity this rule will introduce and which AGL believes need to be addressed in the final drafting include: (a) disconnections that are cancelled after being raised, (b) disconnections performed by Metering Coordinators and (c) additional engagement attempts after a disconnection is requested.

a. Disconnections that are cancelled after being raised

   We would welcome the AEMC's clarification that this rule does not create unintended compliance implications where a retailer validly issues a disconnection request but cancels it before it is actioned. Such cancellations arise for many reasons, including customers engaging with their retailer (often once they realise a disconnection has been requested), making payments, forming arrangements, registering life support, or a range of other factors.

   The current drafting may support an interpretation whereby the customer is taken to have been disconnected at the point the request is made, even when no disconnection ultimately occurs. Conversely, another permutation occurs where a disconnection request is made and the customer subsequently takes steps to remedy the reason for the disconnection (e.g. makes payment), but the retailer inadvertently does not take steps to cancel the 'pending' disconnection request. In this scenario, the customer would already have been deemed to have been disconnected, which may mean the failure to cancel the disconnection did not constitute a compliance breach.

   We agree that retailers must complete all required steps before issuing a disconnection request. However, the rules should also allow flexibility where events arise after a request is issued that require the disconnection to be cancelled and then does not occur as a result. If the expansion is introduced, wording that refers to the successful disconnection of supply may provide greater clarity on reporting requirements.

b. Disconnections performed by Metering Coordinators

   AGL also considers that the proposed drafting of the new r. 107(6) may not accurately capture remote reconnections and disconnections, which are issued to *Metering Coordinators* rather than "to a distributor". This creates an unintended gap, particularly given the ongoing deployment of smart meters under the Accelerating Smart Meter Deployment rule change and the growing prominence of remote service efficiencies. Including Metering Coordinators or using wording that is agnostic of the party who actions the request would better reflect the intent of the rule and provide consistency in the drafting, if the change is adopted.

c. Additional engagement attempts after a disconnection is requested

If the proposed rule is introduced, AGL also seeks the AEMC's confirmation that this does not prevent or preclude retailers from attempting further engagement with customers *after* a disconnection has been requested - with the ultimate aim of avoiding that disconnection from being completed. AGL understands the intent of the drafting to be that disconnection requests should not be raised before all regulatory requirements have been satisfied (in addition to other relevant criteria that prevent disconnections from occurring), however as noted above there may also be additional unintended interactions with other rules that need to be considered.

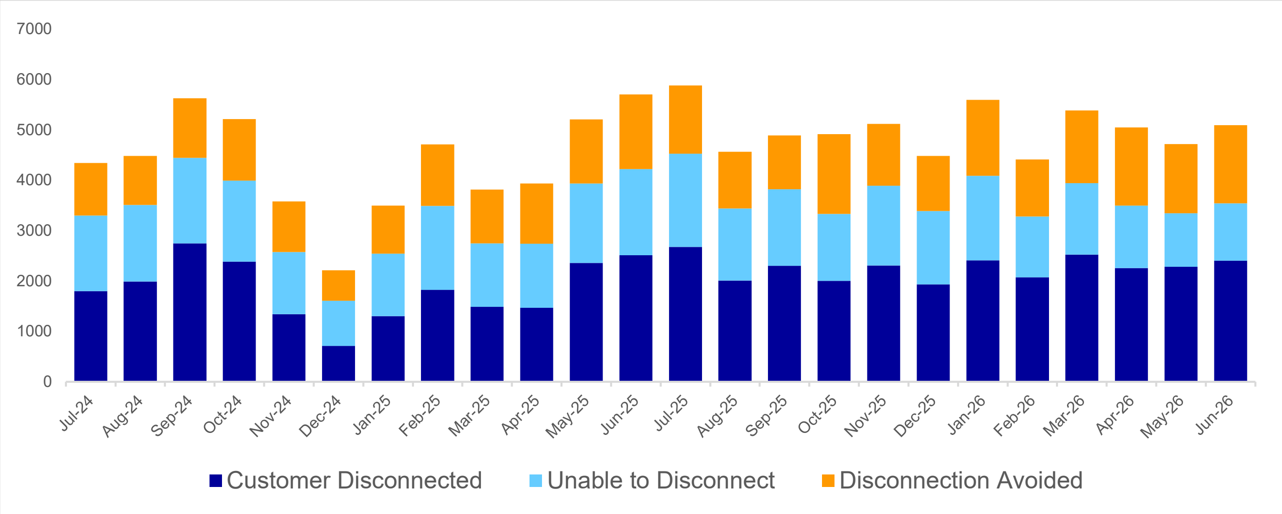
The AER's reference to disconnection as a last resort in relation to the National Energy Retail Law (NERL) for hardship customers should not be interpreted as preventing further customer contact after a disconnection request has been raised, where all prerequisite regulatory requirements have otherwise been met.

AGL is concerned that if retailers would otherwise undertake or contemplate undertaking additional engagement activities after a disconnection request has been made, then it may be open to an inference that the disconnection was not a measure of last resort. By assessing whether a disconnection was a measure of last resort to the point in time that it is requested (as opposed to when it is completed) then retailers may be forced to cease or stop engagement with customers at that point. Restricting this may impact the chances of a customer engaging and may reduce the number of disconnections being avoided. The byproduct of this rule change should not be to limit or curtail attempts by retailers to engage with their customers.

Acknowledging the importance of this additional contact and permitting it to continue would support a customer-focused approach and give retailers further opportunities to engage with customers and avoid disconnection. For example, retailers may make additional telephone calls, or issue further letters or text messages, to inform a customer that a disconnection has been raised and provide a final opportunity to engage before supply is disconnected. AGL has previously observed significantly improved response rates through the use of a SMS message to inform customers that a disconnection request has been made and that a disconnection is imminent.

This may also include the Knock to Stay Connected program under the Energy Charter, which relies on a disconnection service order being sent to the distributor to enable a site visit before the scheduled disconnection date, providing another opportunity for the customer to engage.

As these actions exceed best endeavours obligations but may occur after a disconnection request has been raised, AGL considers it important that retailers retain flexibility to continue engaging with customers once those obligations have been met. AGL does not consider the rule is intended to restrict these interactions, however it is a possible interpretation of the drafting of the rule that we would welcome AEMC clarification on. AGL have provided an overview below on raised disconnections, showing that roughly 25% each month are actually cancelled after being issued but before being completed, which would include customers being advised of a disconnection being issued and engaging AGL, causing the disconnection to be avoided. This shows significant value in allowing contact to continue after a disconnection has been issued.



Requiring retailer engagement through at least two channels for customers at risk of disconnection

AGL supports elements of the AEMC's proposed drafting including: the intent of contacting customers at risk of disconnection through two separate channels, using the customer's preferred method as one option where they have indicated it and not requiring multiple contact attempts where the customer has acknowledged the first. However, we recommend that contact through multiple channels should apply only where there are avenues to reach the customer beyond post and in person, such as a phone number or email address.

Where a retailer holds only a customer's postal or supply address - and no telephone number or electronic contact details - the options for further contact are limited to a single written channel directed to the same address, or field visits which may not be utilised at scale as retailers strive to find a balance in cost and outcomes. In these circumstances, the difference in engagement between a letter sent by standard post and a registered letter served in person is marginal at best. Both reach the customer at the same location and depend on the same likelihood that they open, read and act on written correspondence. Escalating to registered or personally served mail may not offer a commensurate improvement in the prospect of reaching or engaging the customer but do carry significantly higher cost to serve (for illustrative purposes, the relative costs for metropolitan areas are: $1.70/$2.70 regular/priority post vs $7.55 registered post vs $86 personal service[1]). We consider the rule should recognise this reality, so that retailers are not required to layer duplicative written touchpoints that increase cost and complexity but do little to advance the shared objective of effective customer engagement.

Furthermore, where only a postal address is available, the disconnection warning notice is not the customer's first written contact. By that stage, retailers will have issued multiple physical notices to the same address in the lead-up to disconnection, each representing a distinct opportunity for the customer to engage. In that context, a further registered letter is simply one more written communication directed to an address that has already received several and is unlikely to make a material difference for a customer who has not responded to the notices already sent. The incremental engagement benefit is marginal, while the additional cost, handling and delay are real. We consider the rule should account for the cumulative effect of the notices a customer has already received, rather than treating a registered letter as a materially different or more effective form of contact.

[1] https://localcourt.nsw.gov.au/locations--lists-and-forms/forms-and-fees/fees.html

A further point of clarification is how this would interact with customers affected by family or domestic violence, who can only receive communications via their preferred method under rule 76H of the NERR. As this rule overrides all other communication preferences, we would welcome the AEMC's clarification that contacting these customers via multiple methods does not apply, to give retailers certainty in their processes.

Applying the minimum disconnection amount to all customers

AGL supports this change and believes it will provide a suitable safeguard for all customers experiencing payment difficulty. AGL does not interpret this provision in the manner that gave rise to the AER’s rule change request and instead, already applies the minimum limit to all customers, considering it a practical protection that ensures a baseline of consistency and removes ambiguity in the current rule drafting.

Theme 2: Streamlining and improving payment difficulty assistance information for customers

Streamlining payment difficulty assistance eligibility categories

AGL supports this drafting and its alignment with the NERL.

AGL offers the same regulatory payment assistance to all customers experiencing payment difficulty, regardless of self or retailer identification, and we believe this is a practical way to achieve consistency between the NERL and the NERR.

Offering clearer and more accessible information

AGL supports this draft determination, particularly the clarification that information on the website should be in plain language for the ease of customers.

AGL's website contains clear, understandable information on the types of support available, including the grants, rebates, and concessions that customers may be eligible for and how to access them. We believe that all retailers providing similar information will help educate customers on the assistance available to them and further increase the uptake of this support. AGL has also developed Easy English guides across a range of topics, including access to payment support and concessions, to aid customers in accessing information in a format that is clear and useful to them.

We also note that the accessibility of customer support materials is being contemplated under the AER's parallel Retail Guidelines Review wherein, a range of more measures and obligations are placed on retailers. We recommend that ensuring consistency between the AEMC's approach and that of the AER.

Providing assistance information on reminder and disconnection warning notices

AGL supports this draft determination, as it provides clarity to customers on the options available to them in the support process.

AGL already provides this information through multiple touch points including but not limited to messages, bills, websites and other communications. Including it on reminder and disconnection warning notices would further clarify the support available, particularly when customers may need assistance most.