

Economic Regulation Authority  
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Submitted via webform attachment: [www.erawa.com.au/consultation](http://www.erawa.com.au/consultation)

14 February 2023

### **Financial Hardship Policy Guidelines for Electricity Licences**

The Australian Energy Council (AEC) welcomes the opportunity to make a submission to the Western Australian Economic Regulation Authority (ERA) regarding its proposed amended Financial Hardship Policy Guidelines for Electricity Licences ('the Proposed Guidelines') as provided in the public Notice dated 24 January 2023.

The AEC is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC participated in the February 2021 consultation process for the *Code of Conduct for the Supply of Electricity to Small Use Customers 2022* ('the Code'). In that [submission](#) the AEC expressed concern about the prescriptive rule-based nature of the Code and outlined benefits of the (widely accepted and preferred) principles-based approach to regulation. The AEC notes that the implemented Code remains highly prescriptive and as the purpose of the Proposed Guidelines is to offer retailers clarity on their application of the Code – it follows that the Proposed Guidelines mirror that prescriptive nature.

The AEC maintains its preference for principle-based regulation but provides a brief submission herewith specific to the Proposed Guidelines in the context of the Code.

The AEC supports a cohesive suite of documents to promote clarity for retailer operations and notes that the updates in the Proposed Guideline are almost entirely a reflection of updates to the Code. However, the AEC does not support the Proposed Guidelines *adding to* the set of regulatory rules.

The AEC has identified two instances in the Proposed Guidelines where prescriptive rules (regarding Hardship Policy wording) *additional* to those in the Code are set out as mandatory - as though the Proposed Guidelines are indeed appended to the Code rather than an instrument to support application of the Code. These are in sections 4.5 and 4.13 of the Proposed Guide listed underneath a column headed "Electricity Code Reference" as "Guideline requirement".

To be absolutely clear, AEC supports retailer practices which provide customers with access to information and help they require, and the AEC offers no comment on the content or appropriateness of the Hardship Policy wording ideas in section 4.5 and 4.13 in and of themselves. The AEC's issue here is with the inappropriate placement of these regulatory requirements. Put simply, requirements should be quarantined to the Code. The Proposed Guide should only clarify and support implementation of the Code's requirements.

Any questions about this submission should be addressed to Jane Sing - Interim Retail Policy Lead, by email to [jane.sing@energycouncil.com.au](mailto:jane.sing@energycouncil.com.au) or by telephone on (03) 9205 3100.

Yours sincerely,



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