

21 February 2022

Ms Jessica Curtis  
Project Leader  
Australian Energy Market Commission  
GPO Box 2603  
Sydney NSW 2000

Online via: <https://www.aemc.gov.au/contact-us/lodge-submission>

Dear Jessica

**ERC0346 – Unlocking CER benefits through flexible trading rule change**

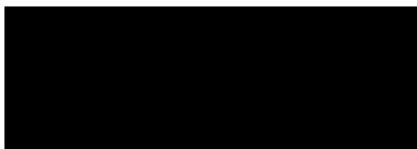
Thank you for the opportunity to comment on the Unlocking CER benefits through flexible trading rule change consultation paper.

The comments set out in this letter reflect the views of the Energy and Water Ombudsman Queensland (EWOQ), Energy & Water Ombudsman South Australia (EWOSA), Energy and Water Ombudsman Victoria (EWOV) and Energy & Water Ombudsman NSW (EWON). We are the industry-based external dispute resolution schemes for the energy and water industries in Queensland, South Australia, Victoria, and New South Wales.

We have collectively reviewed the options paper and our responses align with issues customers raise with our organisation's operations as they relate to the questions raised by the consultation paper.

If you require any further information regarding our submission, please contact Mr Jeremy Inglis, Principal Policy Officer (EWOQ) on [REDACTED], Ms Jo De Silva, Policy and Communications Manager (EWOSA) or [REDACTED], Ms Bronwen Jennings, Head of Policy and Communications (EWOV) on [REDACTED], or Dr Rory Campbell, Manager Policy and Systemic Issues (EWON) on [REDACTED].

Yours sincerely



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## Submission

We recognise the importance of integrating consumer energy resources (CER) into the National Energy Market. Our submission does not support a particular model for enabling flexible trading arrangements. Instead, our submission focuses on the implementation, consumer protection, and metering issues we have identified through the Australian Energy Market Operator's (AEMO) proposed model. The comments we have made will also apply to any other flexible trading model that has the potential to introduce secondary meters and multiple Financially Responsible Market Participants (FRMP) at a customer's premises.

We have provided answers to consultation questions 11, 13 and 14, and we have provided case studies at the end of this submission which explore the consumer issues related to multiple retailers and CER products and services.

We also recommend that the following considerations are made when deciding how flexible trading arrangements will be implemented:

- **Consumer protections:** The consumer protections that exist for customers at the primary connection point should also apply to the supply of energy at the secondary settlement point. Consumer trust in energy services will be impacted if critical consumer protections such as billing, affordability (payment plans and hardship policies), transfer and marketing, contracts and dispute resolution are not extended equally to all the settlement points in customer premises. The growth of embedded networks, and the two-tiered consumer protections contained in the Australian Energy Regulator's (AER) exemption framework show the risk of implementing unequal consumer protections through this rule change.
- **Educating consumers:** We have learnt from the rollout of smart meters, and the transition to cost-reflective tariffs, that consumer education and information provision is critical for a successful implementation of flexible trading arrangements. We acknowledge that the AMEC's consultation paper considers how customers will be notified about existing secondary settlement points and services. However, there will also need to be an independent source of accessible information (such as factsheets and online resources) for consumers that are engaging with these services.
- **External dispute resolution:** Customers with a secondary settlement point must have access to External Dispute Resolution (EDR) through ombudsman schemes to ensure that the consumer protections at the primary connection point remain fit for purpose. Effective external dispute resolution (EDR) is critical for maintaining consumer trust in energy services. Access to free, fair and independent EDR must keep pace with evolving energy technologies and business models.
- **Consumer protections for services provided over secondary settlement points that fall outside of the NECF:** The introduction of secondary settlement points will support a growth in energy services that blend traditional retail energy services with services that would not be considered a 'sale of energy'. This could lead to energy specific consumer protections becoming more fragmented.

We note that the Australian Energy Market Commission (AEMC) will work closely with the AER to consider if introducing secondary settlement points would create a need for broader reform. However, this rule change could be implemented well before any recommendations made by the AER are accepted or implemented. There is a risk that further consumer protection gaps will emerge if new business models are enabled before a fit-for-purpose consumer framework is established.

We have also learnt from the rapid growth of embedded networks under the exemption framework, that trying to rebalance consumer protections retrospectively, after an industry has matured, is extremely difficult and consumers are detrimentally impacted during that transition period.

## Question 11: potential for limitations applied at secondary settlement points.

### Is there a need for limitations at the secondary settlement point?

#### Limiting the registration of the primary connection point and secondary settlement points to a single customer

Consideration should be given by the AEMC to whether the registration and use of secondary settlement points might be limited to the customer registered at the primary connection point.

Secondary settlement points could potentially be used or registered in the name of another customer (not the customer at the primary connection point), for example:

- a tenant (for some services such as hot water)
- an energy retailer
- a service provider (aggregator, VPP operator, exempt seller).

There may be benefits to customers in allowing the energy provider to register as a customer at the secondary settlement point. At the same time, if multiple customers are connected within a single premise, this could create consumer protection issues like those that have emerged with the growth of embedded networks.

If the AEMC proposes to allow customers (other than the customer at the primary connection point) to register at secondary settlement points, appropriate consideration of the consumer protection issues must be made. For example, the rule change could establish that, at a minimum, the customer at the primary connection point should provide consent for another customer to be registered at a secondary settlement point.

#### Limiting use of the embedded network framework

We support AEMO's proposal that the embedded network framework should not be used as an alternative model for connecting customers to flexible trading arrangements. The growth of embedded networks has resulted in the emergence of different groups of energy users (embedded network customers and grid connected customers) with two sets of unequal consumer protections. There are significant risks in expanding the scope of the AER's exemption framework which has already been found to be not fit-for-purpose by the AEMC.

However, embedded network customers already face additional barriers for obtaining access to CER products and services, such as rooftop solar, batteries and EV charging. The AEMC should explore whether providing embedded network customers with the option to create a secondary settlement point at their child connection point may help make CER services more accessible to these consumers.

## Question 13: Consumer Protections

### What are the potential consumer risks and protections required under AEMO's proposal for secondary settlement points, and should they be handled as proposed by AEMO?

It is our position that consumer protections for the secondary connection point should be the same as the primary connection point. These consumer protections include (but are not limited to):

- pricing controls or access to competition
- rights to access essential services and/or obligations on seller to supply (standing offers).
- internal dispute resolution procedures
- access to external dispute resolution
- minimum contractual standards
- transfer and marketing
- billing, tariff and payment minimum requirements
- protections for vulnerable customers (including payment arrangements and access to hardship policies)
- protections against disconnection.

We have addressed some of the above consumer protections by providing specific answers to the questions asked by the AEMC in the consultation paper (see below). However, we note that the consultation paper does not explore the need for consumer protections for:

- access to external dispute resolution
- billing, tariff and payment minimum requirements
- protections for customers experiencing or at risk of experiencing, vulnerability (including payment arrangements and access to hardship policies).

#### **Billing, tariff and payment minimum requirements**

EWOQ, EWOSA and EWON provided 53 case studies depicting individual examples identifying gaps in, requirements for consumer protection in our submissions to the AER issues paper for its review of consumer protections for future energy services<sup>1</sup>. Many of these case studies highlighted the strong interlinkages between the energy services offered at a primary connection point and the services that will be offered to customers at a secondary settlement point. Even if these services are provided by multiple FRMPs, consumers will expect to get similar protections that ensure their accounts are transparent and accurate. Energy accounts at secondary settlement points will still require protections for:

- the basis for calculating bills - meter data
- estimation as basis for bills
- proportionate billing
- contents of bills
- undercharging
- overcharging
- historical billing information.

Case *study 1* illustrates why a customer will continue to need billing protections at the secondary settlement point.

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<sup>1</sup> <https://www.aer.gov.au/system/files/EWOQ%20and%20%20EWOSA%20Submission.pdf>;  
<https://www.aer.gov.au/system/files/EWON%20Submission.pdf>

### **Protections for vulnerable customers (including payment arrangements and access to retailer hardship policies).**

Customers that engage in secondary settlement points will continue to need access to the same affordability protections that customers receive at the primary connection point.

*Case study 2* illustrates how customers who engage with multiple energy services, and also experience affordability problems, might find themselves negotiating competing payment arrangements between two or more energy providers. If affordability protections are not provided at the secondary settlement point, such as payment plans and access to retailer hardship programs, the overall protections for customers experiencing vulnerability may be weakened.

### **Access to external dispute resolution**

Many submissions to the AER's issues paper for the Review of consumer protections for future energy services agreed that consumers need accessible and low-cost dispute resolution for all energy services<sup>2</sup>. Related issues are discussed in EWOV's submission to the Victorian government's review of DER consumer protections, November 2022:

<https://www.ewov.com.au/uploads/main/Energy-and-Water-Ombudsman-Victoria-Submission-to-DELWP-Protecting-consumers-of-DER-18-November-2022.pdf>

Effective external dispute resolution (EDR) is critical for maintaining consumer trust in energy services. Access to free, fair and independent EDR must therefore keep pace with evolving energy technologies and business models.

Our complaints show that when things go wrong for consumers, the underlying issues are unlikely to be contained at the primary connection point. *Case studies 1 and 4* provide examples of the kinds of issues that evidence that customers will continue to need access to external dispute resolution.

Equally, customers with a secondary settlement point must have access to EDR so that the consumer protections at the primary connection point remain fit for purpose.

### **What consumer contract type(s) should apply under AEMO's proposed model for secondary settlement points?**

AEMO has proposed that secondary settlement points be "entirely optional for end users," and therefore services would be established by an opt-in arrangement.

The AEMC analysis notes that given the voluntary nature of these agreements, and the potential for a variety of flexible services, standard retail contracts may be less appropriate than market retail contracts, as there are some circumstances when a customer's explicit informed consent is not needed to establish a standard retail contract.

This analysis does not anticipate all the types of customers that may be engaging with services at the secondary settlement point. **Table 1** provides examples scenarios that illustrate that consumers will have varying levels of choice for entering contracts at a secondary settlement point depending on their housing situation.

Different types of consumers, and households, will have varying levels of choice to enter contracts for the services at the secondary settlement point. A tenant signing a lease for a new home may have little to no choice on signing a contract for services at a secondary settlement point. For this

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<sup>2</sup> AER, Review of consumer protections for future energy services, Options for reform of the National Energy Customer Framework, October 2022, Page 9

reason, a standard contract may be required for some customers, for example, if the tenant also has a poor credit history.

A standard contract that is fit for purpose for secondary settlement points may need to be developed that provides equal protections for customers that have less choice about entering a contract for these services.

**Table 1**

Housing situation	Example of service offered at secondary settlement point	Level of consumer choice
Home owner (house)	Virtual Power Plant	Full consumer choice to access additional benefits of CER
Tenant	Hot water service	Limited or no choice for consumer when agreeing to a lease.
Home owner (Strata corporation) *	Solar/battery Power Purchase Agreement (PPA)	Limited choice for a consumer buying in to a strata development.

\* *Not necessarily an embedded network*

### How should non-NECF consumer protections such as the DMO apply?

As noted in the scenarios outlined in *table 1*, above, some consumers will have limited or no choice about entering contracts for services at secondary settlement points – depending on their housing situation.

A customer that is required to use services at a secondary settlement point should not have to pay more for their overall energy costs than a similar customer simply because the default market offer (DMO) only applies to the contract at the primary connection point.

EWON has received complaints from consumers that complain that entering a behind-the-meter contract for the sale of energy in addition to their retail market contract has left them paying more than they would under a single retail contract at the connection point. *Case study 5* illustrates the situation where a customer may find their overall energy costs going up after engaging in multiple energy contracts – in this case a retail contract and a contract with an exempt energy seller.

The option of extending the DMO protection should be explored further to ensure any customer that has limited choice about using these services is not financially penalised.

### Do there need to be changes to move-in and move-out provisions?

We would recommend developing provisions for move-in customers, particularly where a move-out customer has not notified the FRMPs that they held contracts for services at secondary settlement points, and the customer moving in does not immediately (or prior to move-in) contact a primary FRMP.

We also recommend that the rules for transfers, and transfers in-error, be considered for any consequences on the operation of contracts at the secondary settlement point.

## Does there need to be changes to re-energisation and de-energisation requirements?

The AEMC has asked for stakeholder views on whether the FRMP at the secondary settlement point should be able to de-energise that point.

AEMO considers that current provisions for de-energisation in the NECF are sufficient for secondary settlement points where there is a sale of energy, as long as appropriate notifications are provided to interested parties within the NER framework. The rule change request also proposes that metering installations at secondary settlement points would not be required to have the ability to be de-energised, but instead would be deactivated in MSATs - as de-energisation would not be needed in most circumstances.

*Case study 2* illustrates how a customer engaged with multiple energy services, who also experiences affordability problems, might find themselves negotiating competing payment arrangements between two or more energy providers. If de-energisation at the secondary settlement point was permitted, it could potentially complicate the existing framework for customers experiencing payment difficulties.

*Case studies 4 and 5* highlight that contracts for behind the meter services can involve financial agreements for the installation of electrical appliances at the customer's home. In cases where the technology is installed for free, or continues to be owned by the service provider, disputes may arise about exit fees or buy out clauses if a customer terminates a contract early. The sale and installation of solar PV systems, batteries and home energy management systems, are non-NECF services that could be supplied at the secondary settlement point. De-energisation at the secondary settlement point may also complicate disputes about these non-NECF services.

Careful consideration should be given to allowing de-energisation at a secondary settlement point. One possible option would be to prohibit disconnection at the secondary settlement point to ensure that consumer protections associated with payment plans and affordability programs are not weakened at the primary settlement point. Another possible option would be to allow de-energisation at the secondary settlement point for reasons other than disconnection for non-payment.

## How should consumers on life support be protected?

AEMO has specifically proposed life support equipment is not allowed to be connected to a secondary settlement point. This would avoid amendments to NERR provisions relating to life support and recognises that customers requiring life support need a greater level of protection than could be provided at a secondary settlement point.

We support a cautious approach to extending the use of secondary settlement points to life support customers. However, this decision could create inequality /discrimination within the energy market, and the AEMC should consult directly with community stakeholders, such as disability advocacy groups, to assess any potential benefits that could be obtained from having life support equipment connected to a secondary connection point. It would also be beneficial to monitor the impact of this decision on life support customers, with the option to review the rules for life support after a review period.

## How should Retailer of Last Resort (ROLR) provisions apply?

In our joint submission (EWON, EWOSA, & EWOQ) to the AER options paper for its review of consumer protections for future energy services, we noted customers that engage with CER technologies and services may be:

- investing a significant amount of money to purchase and install the technologies
- agreeing to have technologies owned by the provider installed at their home (such as power purchase agreements, devices for virtual power plants, or demand response products)
- agreeing to long term contracts (such as power purchase agreements) to access the benefits of these technologies, or
- accessing the technologies through financial products that are provided by the CER provider or a third-party<sup>3</sup>.

Long-term agreements for CER services and products (such as power purchase agreements), and the financial products offered to CER consumers, have the potential to disrupt a customer's energy services if the provider fails. As the market for new energy services matures, it is also unlikely that a retailer of last resort will always be able to provide the customer with an equivalent service or contract terms as the failed energy provider.

The simplest solution for a customer's perspective may be for the NMI to be deactivated with notification to the customer and primary FRMP. If the FRMP is the same for the secondary and primary settlement points, and it fails, then the current ROLR scheme could apply after deactivation of the existing secondary settlement points.

## Question 14: metering requirements for secondary settlement points

### Does any action need to be taken to support metering for secondary settlement points?

The Energy Security Board's Post 2025 Distributed Energy Resources (DER) Implementation Plan includes three critical and related projects:

- this flexible trading rule change.
- The AER's review of consumer protections for future energy services, and
- The AEMC's review of the regulatory framework for metering services.

We understand that National Cabinet endorsed the Post 2025 DER Implementation Plan in October 2021.

As we have already noted, the timing of these reviews is critical, as this rule change could be operational before other reforms are implemented. This situation risks consumer protection gaps emerging that will need to be resolved.

The problem of metering and shared fuses at multi-occupant sites is an example of an existing problem that should be resolved in parallel with this rule change. This issue is still presenting as a barrier to some customers from acquiring type 4 meters. State energy ombudsmen have raised this issue through the AEMC's review of the of the regulatory framework for metering services, and a potential solution has been discussed in the AEMC draft report. The timing of this rule change should be aligned with the implementation of these other reviews to ensure that existing systemic issues,

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<sup>3</sup> <https://www.ewon.com.au/content/Document/Submission%20-%20Final%20-%20AER%20Review%20of%20consumer%20protections%20for%20future%20energy%20services.pdf>



such as metering and shared fuses at multi-occupant sites, will not impact on the rollout of flexible trading arrangements.

## What of the following minimum requirements need to be set in the NER for market participation and settlement at secondary settlement points?

AEMO has suggested changes that enable a new category of metering installation, referred to in the rule change request as a ‘minor energy flow meter’. AEMO proposes two material changes to the physical meter, that are related to the physical display and the requirement for the minimum specification to be removed.

We acknowledge that minor energy flow meters may need different minimum requirements – for reasons such as size and location. We also agree with AEMO’s position that an increasing number of customers are now accessing their data via an alternative source (e.g. a laptop, in-home display unit, smart-phone app, or similar).

This change in the way consumers will need or want to access their data also highlights the importance of fit-for-purpose consumer protections. In EWON’s submission to the AER’s issues paper for its ‘review of consumer protections for future energy services’, the Ombudsman highlighted the importance of the data services that energy retailers offer their customers, often bundled together with both an energy contract and additional behind the meter services<sup>4</sup>. The case studies provided with this submission demonstrate that it is detrimental to consumer trust when real-time applications do not meet customers’ expectations, particularly for monitoring and managing their usage.

The rule change consultation paper identifies that ‘access to information’ is one of the identified consumer protection principles contained in the consumer risk assessment tool developed by the Energy Security Board. If minor energy flow meters are not required to provide an accessible display, it increases the importance of providing equal consumer protections at the secondary settlement point, such as billing requirements, access to data and external dispute resolution.

## Question 15: minor energy flow meters for use at secondary settlement points

### What different obligations will need to be placed on metering providers and metering data providers for minor energy flow metering installations?

The AEMO proposal potentially expands responsibilities of metering providers in the market by:

- establishing a new ‘National Metering Identifier Service Provider’ (NMI Service Provider) role for the creation and maintenance of secondary settlement points, and
- requiring meter data providers to provide data to both the FRMP at the secondary settlement point and to the FRMP at the primary connection point.

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<sup>4</sup><https://www.ewon.com.au/content/Document/Publications%20and%20submissions/Submissions/2022/EWON%20submission%20-%20AER%20authorisation%20and%20exemption%20review%20-%20June%202022.pdf>

Since metering entities were introduced through the Power of Choice reforms, we have seen issues with the service provided by meter data provider (MDPs) as an underlying cause of electricity billing complaints. The issues impacting on customers, include:

- customers still receiving estimated bills and/or confusing rebills despite having a smart meter
- retailer difficulty resolving internal billing complaints where the customer has a smart meter and MDP cooperation is required
- ombudsman scheme difficulty resolving billing disputes where the customer has a smart meter and MDP cooperation is required.

The AEMO proposal will also add additional complexity to the metering and data services provided to customers with a secondary settlement point. Even if the metering for the secondary settlement point has remote reading capabilities, customers will still encounter data problems, such as estimated readings, and disputes will occur over the billing of the secondary settlement point. Billing disputes are likely to be more complex when a customer is disputing a data error that has impacted the billing by two separate retailers. Consumer trust in CER services will be eroded if customers face increased difficulty in resolving disputes about the billing of their energy services.

EWON has recently investigated a systemic issue affecting many customers relating to a particular meter provider and:

- delayed actual meter data delivery
- an increase in estimated meter data.

Refer to case studies 6 and 7 for two complaint examples which helped to identify this systemic issue. EWOQ and EWOSA have also identified issues with this MDP in their complaints.

The systemic issue investigation is currently ongoing, but it has become evident in the investigation to date that:

- the mechanism of contractual relationships between retailers and metering parties may not always be sufficient to ensure transparency and accountability for metering parties, particularly in meeting customer expectations of billing and the resolution of complaints
- metering parties appear to have more power in market relationships than was originally intended when the Power of Choice framework was introduced.

In our joint submission (EWON, EWOSA, and EWOQ) to the AEMC's draft report on the Review of the regulatory framework for metering services, we recommended that the Commission consider measures to increase transparency and accountability for metering parties<sup>5</sup>. One possible measure is better regulation of data provision, particularly where contractual relationships between retailers and metering parties are not delivering suitable consumer outcomes. This could include more stringent and enforceable timeframes for data provision when it is required to resolve a direct retailer complaint or external dispute.

The other option we noted would be to introduce a requirement for metering parties to be members of energy ombudsman schemes. We were previously of the view that energy ombudsman scheme membership for metering parties was not necessary on the basis that retailers are the customer facing party and should be responsible for managing complaints. However, our cumulative experience with complaints and systemic issues now indicates that it may be a beneficial measure. For example, in comparison to complaints where an MDP is responsible for the provision of data for a retailer-owned smart meter, energy ombudsman schemes have more flexibility in resolving billing disputes involving a manually read meter where a DNSP is responsible for the meter reads. As DNSPs

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<sup>5</sup> [https://www.aemc.gov.au/sites/default/files/2023-02/ewo\\_submission.pdf](https://www.aemc.gov.au/sites/default/files/2023-02/ewo_submission.pdf)

are members of our schemes, we can contact a DNSP directly should we determine that DNSP cooperation will reasonably progress a retailer complaint. The retailer remains responsible for the customer relationship and the overall resolution of the complaint, and contacting the DNSP is the exception rather than the norm. If metering parties were members of energy ombudsman schemes, we would still expect retailers to effectively manage the relationship with the metering party including ensuring their cooperation in complaints resolution. However, we would have additional flexibility to resolve complaints where there are issues with the contractual relationship, such as scenarios where a retailer has taken over a site due to customer churn but does not have an existing contractual relationship with the metering party.

**Case study 1 – A customer participating in a virtual power plant requests a review of their energy bill which includes export credits that vary with the wholesale energy price**

A customer with a rooftop solar system and battery agreed to switch to a white label retailer for an energy plan that included participation in a virtual power plant (VPP). The customer complained to EWON that after he received his first energy bill, he was disappointed to see that he was receiving very little benefit from the new energy plan and so he had requested a billing review by the white label retailer. The retailer advised him that the billing would be reviewed, however, he received inconsistent information, and many of his calls went unreturned.

EWON referred the matter to the authorised retailer for resolution at a higher level with the customer's acceptance and knowledge that he could return to us if he was unhappy with the outcome. The customer returned to EWON because his negotiation with the retailer had stalled. The customer complained that he had asked for the \$0.06 feed-in tariff on his bill to be reviewed by the retailer and he has had no response.

EWON contacted the retailer and obtained information about the billing of the customer's account. Based on our review and the information provided by the retailer, EWON advised the customer that when his battery was full, the additional solar energy generated by his rooftop system would be exported to the grid at \$0.06 per kWh. In periods of high demand, when the spot price rose above the minimum amount set by his contract, the retailer would export the energy from his battery and customer would be eligible for a higher feed-in tariff. These trading credits were calculated based on the amount of energy put back into the grid multiplied by the applicable wholesale spot price. EWON noted that the reason the customer had not yet received additional benefits was that the market conditions defined by the contract had not yet been met since the battery was installed. The retailer provided the customer with a link to a page on their website where he could access the AEMO wholesale Spot pricing. The customer was satisfied with the additional information that he received through EWON's review and considered the issue to be resolved.

**Case study 2 – A customer facing affordability issues was managing two fortnightly payment plans with their energy retailer – one for their energy usage and one to pay for the installation of a rooftop solar system**

A customer accepted a solar power purchase agreement from his energy retailer because he thought that the offer was a free solar system if he accepted an 84-month fixed term energy plan.

The customer was told that he would be saving money based on the solar energy he received. The customer then received details of the SPPA plan which stated that his current rate for energy usage would change from \$0.29 per kWh to \$0.25 per kWh and he would not be receiving a solar feed-in credits after the rooftop solar system was installed. The contract also stated that he would be required to pay an additional cost for the solar system over the following 84 months. The customer complained to EWON that he felt misled into agreeing to an SPPA contract based on false information provided by the retailer's sales staff. The contract had commenced but the rooftop system had not yet been installed. The customer had contacted the retailer to cancel the contract and the retailer stated that it would consider his complaint. The customer had not received a response from the retailer before contacting EWON.

EWON referred the matter to the authorised retailer for resolution at a higher level with the customer's acceptance and knowledge that he could return to us if he was unhappy with the outcome.

### Case study 3 - Retailer takes control of customer's battery in error.

A customer with a battery signed up with a retailer ('Retailer A') for a plan that included participation in a virtual power plant. However, he changed his mind within the cooling off period and remained with his current retailer ('Retailer B'). Retailer A still took control of his battery in error and used it to supply power to the grid. The customer could tell this was happening as he could see periods of very high usage on Retailer B's phone app.

EWON referred the complaint to Retailer A at a higher level. Retailers are not required to advise EWON of the outcome of referrals at a higher level, but in this instance Retailer A voluntarily provided EWON with information. It advised that it had removed the battery from the virtual power plant, analysed the data to review how much energy was cycled through the battery and provided the customer with a credit of \$150 to cover the cost of that energy. The retailer advised that the customer was satisfied with the outcome and the customer did not return to EWON.

### Case study 4 – a customer with multiple energy contracts for retailer and CER services consider they are paying more for their overall energy costs than before agreeing to these services.

The customer entered into a solar power purchase agreement with an exempt seller that holds a retail exemption with the AER. The solar power purchase agreement was designed so that:

- the exempt seller designs, buys, installs, maintains and guarantees the solar assets.
- the system includes a separate electricity meter that records how much energy generated by the system the customer uses.
- the customer agrees to pay for the solar energy they use for the period of the agreement – which could be from 8 to 25 years.
- at the end of the agreement the ownership of the rooftop solar system is transferred to the customer.
- the customer's monthly bill is based on how much energy they use – not how much is produced by the system.
- the exempt seller also collects any solar feed-in tariff paid to the customer by their authorised energy retailer.

The customer also holds an account with an authorised energy retailer that charges him for the energy he uses from the grid and pays him a solar feed-in tariff for the energy generated by the system and exported to the grid. The customer advised EWON that he had entered a seven-year agreement with the exempt seller. The customer told EWON that he was confused by the product and did not understand that he would be buying the solar energy from the exempt seller. The customer advised that since he had agreed to install the rooftop solar system, his overall energy costs have gone up, not down. The customer noted that if he broke the contract with the exempt seller, he could be charged \$18,000.

EWON explained to the customer that the contract with the exempt seller was not within EWON's jurisdiction. EWON referred the customer to Fair Trading NSW. The customer advised that he had made a complaint to Fair Trading NSW but was unable to resolve the dispute.

### Case study 5 – A customer disputes the set-up costs and ongoing fees for an energy plan that included behind the meter services because the benefits did not meet the expectations set by the retailer's marketing material.

A customer agreed to an energy plan that included the remote energy management of some large appliances and additional behind the meter services, after being approached by a door-to-door marketer. The marketer advised the customer that they would receive significant savings in their energy bills of up to 30%. The energy plan included set up costs of over \$2,000. The customer complained to EWON that since signing the contract they have had a number of problems

completing the set up and after installing new equipment in their home nine months prior they now owed over \$7,000 in energy charges and set up costs to the retailer. The customer wanted the retailer to waive the money owing for the set-up costs and to allow them to leave the contract without charging the \$1,000 exit fee.

EWON referred the matter to the authorised retailer for resolution at a higher level with the customer's acceptance and knowledge that he could return to us if he was unhappy with the outcome.

The customer returned to EWON after speaking again with the retailer and the complaint remained unresolved. EWON contacted the retailer to obtain more information about the customer's billing and set up costs. The retailer advised that the information provided in their marketing material was based on the energy consumption of large electrical appliances in a typical household. The retailer had analysed the customer's consumption after the equipment had been set up and found that the customer's household was not typical, and the large appliances were contributing a much smaller proportion of their overall household energy costs. The retailer's equipment had performed as promised but the outcome was not as significant because the customer's energy usage profile was different to the typical household. The retailer offered to waive their fees for the behind the meter services they had been provided, waive the exit fee for leaving the contract within the 12-month benefit period and gift the equipment installed at the property to manage the energy usage of the large appliance. The customer accepted the retailer's offer as resolution to the complaint.

#### Case study 6 – Estimated meter readings

A customer received reduced solar feed in credits from his retailer from May 2021, compared with previous years. He then received a bill in July 2021 based on an estimated meter reading. He contacted the retailer, and it advised him that his solar system had not been generating additional solar, however this was inconsistent with the amount shown on his inverter.

The customer contacted EWON as he was not able to resolve the issue with the retailer. During our investigation, the retailer advised that there was no actual meter data received from the MDP between 2 July 2021 to 2 January 2022, due to a 'backend issue'. The meter data advised that there was an issue that prevented the actual data from being republished and required manual intervention from the MDP to republish the actual data. The retailer also advised that the MDPs inhouse system was recording the data, however there was an issue with a business-to-business process error with the data being sent to the retailer.

The EWON complaint and issue with the meter data was raised with the MDP by the retailer in November 2021, however the actual data was not received until April 2022. After receiving the actual data, the retailer rebilled the customer's account resulting in the account being in credit by \$200. The retailer also applied a \$150 credit to the customer's account as a customer service gesture.

#### Case Study 7 – estimated bills and no feed-in tariffs

A customer had solar installed at the property and had a smart meter installed in November 2021. The customer then received estimated bills from the retailer, with no feed-in credits which she considered to be high. She contacted the retailer on multiple occasions, however, was provided with inconsistent information. She was then advised that an internal system change that she had other customers had been impacted and the issue would be investigated. The customer was unable to resolve the issue with the retailer.

EWON contacted the retailer to obtain more information and it advised that an issue with the MDP had resulted in a delay in the actual meter data being sent to the retailer. The retailer also advised that it had raised a service order with the MDP however system had automatically objected to the order, resulting in further delays. In May 2022, the actual meter data was sent by the MDP to the retailer and the retailer rebilled the account for \$720 for a 9-month period. In the interests of resolving the complaint, the retailer waived the balance of the account and advised that all future bills should be based on actual meter data.