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## Electricity pricing for a consumer-driven future review – EPR0097

### Submission via AEMC website

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### AGL Response to Electricity pricing for a consumer-driven future review – Terms of Reference

AGL Energy (**AGL**) welcomes the opportunity to comment on the AEMC to Electricity pricing for a consumer-driven future review – Terms of Reference (**terms of reference**).

Proudly Australian for more than 185 years, AGL supplies around 4.1 million energy services. We are actively expanding decentralised assets across all regions in the NEM. As of FY24 AGL had 1.25 GW of decentralised assets under orchestration, with a FY27 target of 1.6 GW.

We support the AEMC undertaking this timely and comprehensive review to assess the future requirements of regulatory frameworks that will successfully integrate CER. We support the broad scope and focus areas defined in the draft terms of reference. We also note the importance of the review considering both the broad range of customer needs along with improvements to integrating customer energy resources (CER) in the NEM.

We acknowledge that the review does not intend to consider a full review of the consumer protection framework, however we encourage and support the AEMC to ensure the review does consider the specific interaction between the review objectives and relevant consumer protections to inform its recommendations.

At AGL, a core element of our strategy is to connect every customer to a sustainable future and supporting our customers to decarbonise and electrify is at the cornerstone of delivering this. For us, the transition provides a unique opportunity to proactively partner with our customers to unlock these opportunities.

As noted in the terms of reference, with the right market and regulatory settings ongoing growth in CER and electrification can deliver benefits to all customers through increased system productivity and lower overall costs.

Central to this review is the proposed set of consumer preference principles relating to energy prices, products, services and CER. We support the AEMC's proposed application of these principles when considering solutions to issues identified during this review. A key area of focus for AGL is to drive CER adoption and help deliver value to our customers. We have invested significantly in innovative CER pilots and trials since 2016, now we are investing in scaling CER solutions. These insights may prove valuable to assisting the AEMC in developing these customer principles.

At this early stage, the broad objectives and scope of the review are being defined. We are mindful that each of the key areas of focus outlined in the terms of reference will likely cover the important issues we consider require careful consideration. Outlined below is further commentary on the importance of industry collaboration to meet the challenges of effective CER integration.



*Greater collaboration between networks, retailers and third parties is essential*

As CER technological evolve, the regulatory framework will need to be flexible enough to adapt to these opportunities and capabilities. Through this process the industry roles may change as new CER capabilities become available to the network. This is particularly important as previously regulated services transform into competitive markets, or new products or services intersect with previously exclusive regulated services. A recent example is the change in controlled load services through technological changes and the transition to smart meters.

Whilst the current framework enables collaboration with network businesses, retailers and third parties the engagement framework is largely unique to each distribution business. The review should therefore consider if the current framework is sufficiently accessible and consistent to enable all interested parties to collaborate and innovate as technological advancements and improved availability of CER drives the increased uptake of these resources.

We look forward to engaging with the AEMC and the industry on this critical review in the coming months.

If you have any queries about this submission, please contact Kyle Auret at [kauret@agl.com.au](mailto:kauret@agl.com.au).

Yours sincerely,

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General Manager, Policy and Market Regulation