



Retail Market Review Implementation

Project launch

20 March 2018





Sarah McDowell

A/g Director Energy

Agenda

Time	Item	Presenter
3:30pm	Welcome & introduction	Sarah McDowell , A/g Director Energy
3:35pm	Opening remarks	Kate Symons , Commissioner
3:40pm	Project overview	John Hamill , CEO
3:55pm	Project outline & timeframes	James Clinch , A/g Senior Regulatory Manager
4:10pm	Q&A session	All
5:00pm	Close	



Kate Symons

Commissioner



John Hamill

CEO

Project overview

Background

- The government has now issued its interim response to the retail market review, with a final response expected mid-year.
- The government has supported nine of the eleven recommendations, and is consulting on the remaining two (recommendations 1 and 2 - abolishment of standing offers and the introduction of a price regulated 'no frills' energy offer).
- For three of the recommendations, the government has tasked the ESC with specific *implementation* actions. Our role is to find the most cost effective means of implementing these recommendations.

What has the government asked us to do?

- Make changes to bills and marketing rules (recommendation 3A-3H) via amendments to our Energy Retail Code.
- To report on competitiveness and efficiency in the market (recommendation 8A).
- To undertake a review of our regulatory codes to ensure a focus on customer outcomes (recommendation 9A).

Approach

- Mindful of timeframes...
- Open, consultative and transparent
- Clear conceptual framework, and clearly articulated problem definition
- Evidence based, including primary research where possible
- Mindful of the number of reviews and regulatory processes underway

Bills and marketing (3A-3H)

- Focused on making it easier for customers to understand and compare energy deals.
- The recommendations are of varying complexity – some simple, some requiring us to work through the details.
- Initial focus is on changes to bills - the key change being requiring retailers to include on bills the retailer's best offer for that customer based on their usage patterns.

Competitiveness and efficiency (8A)

- A review of competitiveness and efficiency of the Victorian energy retail market – longer term piece of work, due by the end of next year.
- To assist in our study of the market, we will be doing some work on a ‘reference price’. Our methodology work will feed into the government’s mid-year decision on its final response to the review.
- This is the subject of the consultation paper we release today.

Code review (9A)

- Additional to implementing the specific changes recommended by the review around bills and marketing.
- The aim is to ensure the codes ‘focus on customer outcomes and can account for the new business models of service provision’.
- This is a large and exciting piece of work, which will follow the other elements of the work program.



James Clinch

A/g Senior Regulatory Manager

Project outline and timing

Project outline

Project divided into three streams

Stream	Deliverables	Timing
1. Bills & marketing (3)	Changes to bills (3G)	Code changes by 1 October 2018 , taking effect 1 July 2019
	Marketing & disclosure standards (3A-F,H)	Code changes by 30 January 2019 , taking effect 1 July 2019
2. Competitiveness review (8A)	Consultation on a pricing methodology	Mid year + ongoing
	Report on competitiveness and efficiency	End 2019
3. Code review (9A)	Review of regulatory codes	End 2019

Gathering stakeholder and customer input

- Consultation on commission papers and decisions
- Workshops
- 1-on-1 meetings
- Reference group
- Tests and trials
- Sentiment capture exercise

Bills & marketing

Period	General	Bills	Marketing & disclosure
Mid-April	Problem definition workshop		
May	Trial design workshop(s)		
June/July	Updates from commission	Updates from commission	Workshop on marketing & disclosure options
July/August		Draft decision	
August		Workshop on draft decision	
August/September		Workshop on issues raised in submissions	Updates from commission
Late September		Final decision	
October/November			Draft decision
November			Workshop on draft decision
December			Workshop on issues raised in submissions
January 2019			Final decision

Competitiveness review

Key milestones

20 March	Consultation paper released
5 April	Technical workshop on pricing methodologies
17 April	Submissions close
4 May	Update on matters raised in submissions
June-July	Initial workshops on competitiveness review
July-Dec	Framework development (multiple consultation opportunities) - Issues paper
2019	Application of the framework (multiple consultation opportunities)

Code review

Key points

Commencing second half of 2018

Multiple consultations through 2018-2019

- road map
- issues paper
- decisions

Will build upon work undertaken for code changes on bills & marketing

Calendar of papers, decisions and consultation

		2018										2019
Work stream	Item	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan
Bills & marketing	Changes to bills					DRAFT		FINAL				
	Marketing & disclosure standards								DRAFT			FINAL
Competitiveness review	Consultation on pricing methodology	CONSULT PAPER										
	Framework development								ISSUES PAPER			
Code review	Scope							ROADMAP			ISSUES PAPER	



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