

22 October 2021

Essential Services Commission
Level 8, 570 Bourke Street
Melbourne, Victoria 3000

Submitted via:

<https://engage.vic.gov.au/remaking-energy-retail-code-code-practice>

Remaking the Energy Retail Code as a Code of Practice – Tango Energy submission

Tango Energy thanks the Essential Services Commission (ESC) of Victoria for the opportunity to comment on the above consultation.

Tango Energy is the wholly owned subsidiary retail arm of Pacific Hydro Australia (PHA). PHA was founded in 1992, and is a leading owner, operator and developer of renewable energy assets. It operates a high quality, diversified portfolio of wind, hydro and solar assets with an installed capacity of 665 MW; it also has a development pipeline of substantial projects totaling over 1100 MW of potential capacity, as well as over 300 MW of energy storage solutions.

We are a relatively new and growing retailer with approximately 124,000 small and large customers as of October 2021. While our customer base is predominantly in Victoria, Tango Energy also recently started selling to small customers in New South Wales, Queensland, and South Australia and expects to grow our presence in those jurisdictions.

Civil penalties in the Energy Retail Code of Practice (ERCP)

Tango Energy understands that the ESC considers that the nature of the changes proposed are administrative. However, we consider that the case for a Regulatory Impact Statement (RIS) being conducted remains, particularly in light of new civil penalty requirements highlighted in Schedule 1 of the proposed Energy Retail Code of Practice, together with the addition of new clauses and obligations below. The change in status from an industry code to a Code of Practice, and consequent changes in associated penalties, change the legal status and nature of the Code, and it is therefore necessary for a cost and benefits assessment to be undertaken as to whether the rules, as moved over from the Energy Retail Code to the new Energy Retail Code of Practice, remain appropriate.

Proposed clause 64: Greenhouse gas disclosure

We also request clarification on clause 64 in the proposed Energy Retail Code of Practice. The effect of the current clause 25A of the ERC and Electricity Industry Guideline No.13 (Greenhouse Gas Disclosure on Electricity Customers' Bills for Customers Other Than Small Customers) is that it currently applies only to customers

that are not small customers; however, the ESC has indicated that this will now apply to small customers through amendments to Guideline 13. This appears to be a substantive change that should require a separate consultation.

Timeframes for the Code of Practice

We note the ESC has not committed to a specific date for the ERCP to come into effect, and request that the new code come into effect on 1 July 2022 to ensure a reasonable timeframe for retailers to implement process and system changes to monitoring their compliance obligations.

Tango Energy, like other retailers, monitors its compliance with obligations by maintaining a schedule of the voluminous retail compliance obligations, and assigning responsibility and ownership to business units within the organisation to ensure that management are aware of the obligations in designing and performing day to day processes. The changing of the obligations will require a significant amount of administrative work to ensure that obligations are correctly recorded to ensure accurate and timely monitoring of our compliance obligations.

The suggested timeframe will also allow a second round of review with affected stakeholders to ensure that drafting errors can be addressed.

If you would like to discuss this submission please contact me at the details provided with the submission.

Yours sincerely,

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Tango Energy Pty Ltd