



**National  
Customer Code**  
Energy Brokers,  
Consultants & Retailers  
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# National Customer Code

## Energy Brokers, Consultants & Retailers

### Commercial & Industrial Customer Procurement Checklist

#### Using an energy broker or consultant to support you

Energy brokers and consultants can play a valuable role helping you to go to market to review your energy costs and your business needs. They can help you to efficiently review and compare offers from energy retailers, metering, solar and battery providers. Whether you choose to use an energy broker, consultant or work directly with an energy retailer, they should be a partner working in your interests.

This Procurement Checklist (the **Checklist**) has been created by the [National Customer Code for Energy Brokers, Consultants and Retailers](#).

Using the Checklist can help you navigate your energy procurement to ensure that you are making informed decisions about costs, commissions and fee structures, including any ongoing fees, terms and conditions. It gives helpful questions to ask about solar and battery storage for your business, Power Purchase Agreements and metering solutions.

If you choose to engage an energy broker or consultant, you'll also find some practical questions to ask so you can be confident you are choosing a provider who will be accountable and transparent in their dealings.



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## Signing a Letter of Authority or Consent Form

This is the first step in your energy procurement journey. These forms may be known by different names, however their purpose is to enable an energy retailer to provide data, information and quotations for your electricity and/or gas supply to a third party energy broker or consultant. These forms are generally valid for 12 months, but can be longer.

You can help to ensure a smooth process by keeping a list of all your site addresses and National Meter Identifiers (NMI), along with details of any existing or upcoming energy or metering contracts. If you have new staff since your previous Letter of Authority form was signed, you may need to sign a new Letter of Authority or provide a letterhead giving this person authority.

By signing such forms, you may be authorising an energy broker or consultant to:

- Access your interval data and historical energy consumption, generally for the past 12 months e.g. (30 minute intervals including kWh, KVA, PF, time/date stamp)
- Obtain copies of your energy bills
- Obtain copies of your energy contracts
- Confirm your current Metering Provider and any metering contract end dates
- Confirm your network tariffs
- Obtain electricity and gas offers.

In some cases, you may also be giving an energy broker or consultant authority to act on your behalf including choosing an energy retailer or metering provider and executing contracts. You may find this helpful in a volatile market as it can allow the take-up of a “hot” offer.

However, you should ensure that you understand and are comfortable with this type of arrangement and you may want to set some limits on what you allow an energy broker or consultant to authorise. If you are not sure what the Letter of Authority covers, you should ask the energy broker or consultant to explain further.

### Useful questions to ask

- ? Will you use my interval data from my current retailer to get me the most accurate pricing for my site(s)?
- ? Will my bills include charges for Unaccounted for Energy under the Australia Energy Market Operator’s Global Settlements rule?
- ? Does your Letter of Authority include all the charges such as value-added services that I may choose to use?
- ? Does your Letter of Authority only authorise you to obtain information to seek offers on my behalf or does it give you authority to make purchasing decisions?



## Costs, commissions and fee structures

Energy brokers and consultants may have different business models and your preference may depend on your businesses' needs. An energy broker or consultant will agree to the fee or commission paid to them with you directly.

Their fees may be fee-for-service based or commission based. In some cases, fees/commissions may be paid upfront or directly to your energy broker or consultant over time, or they can be paid through the energy retail bill during the term of your energy contract.

It's important to note that energy retailers do not generally pay energy brokers or consultants for bringing opportunities to them, but rather for negotiating and facilitating a contract between them and you as their customer. You pay this commission.

Where the fee is being paid by you through your energy bills, the energy retailer will pass these fees through to the energy broker or consultant.

In some cases, an energy retailer may pay an energy broker or consultant a set fee upfront on a per site basis. This generally applies to SME sites linked to a large energy contract.

You select your energy retailer<sup>1</sup> following a competitive market process. Your agreement with your energy broker or consultant should clearly state the costs, commissions and fee structures that apply – including the exact fees or the percentage or cents/kWh commission fee if applicable.

Your energy broker or consultant agreement is not connected to your energy contract or metering contract.

### Fee-for-service approach

- This means that you will pay the energy broker or consultant a set fee, or hourly rate, as agreed in advance, to help you manage your energy supply contracting requirements
- The fee may include additional ongoing value-add services and support in addition to procurement.

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1. Unless you have authorised your broker or consultant to act on your behalf under the Letter of Authority.



## Commission approach

- This means that you will pay the energy broker or consultant a commission that you negotiate with them via your contracted energy retailer. This is generally called a trailing commission structure which means that you do not pay them up-front for the work that they do
- Once the contract with the energy retailer is agreed, the energy broker or consultant will be paid a commission as a percentage or cents/kWh on your ongoing retail energy charges for the length of the contract. This means that over the life of the contract, you will pay the fees for using their procurement services. The amount of commission is linked to the annual contracted usage and your energy broker or consultant will disclose the amount to you
- The commission may appear as a line item on your retail bill or may be built into the usage charges on your bill. Your energy broker or consultant will also disclose this to you
- Your retailer is notified of the commission to be applied to the contract offer
- The commission is added to the peak/shoulder and off-peak rates and is payable for the contract's life
- Network pass-through costs and market charges usually do not attract any commission
- You might also be charged additional fees for agreed value-added services. These fees typically appear as separately billed line items.

### Useful questions to ask

- ? What is the total fee that I am paying for your services?
- ? What are your ongoing fees for value-added services?
- ? Are there any other costs, commissions, or fees that I am likely to incur by using your services?
- ? What is the exact percentage or cents/kWh commission fee that I will be paying for your services?
- ? How is your commission fee calculated and to what does it apply? Is it only applied to retail energy charges, or does it include pass through costs, such as network and market charges?
- ? Will the commission fee be shown separately on my retail energy bills or built into the tariff?
- ? Are the fees/commission costs clearly disclosed when I ask you to go to market on my behalf?
- ? Are there any fees for terminating any of the contracts before their end date?



## Your energy contract

Pricing can be more attractive over longer or shorter terms depending on your usage and market conditions at the time. You should consider your circumstances along with the price when choosing your energy retail offer and contract duration.

Before signing your energy retail contract, you should make sure you understand the terms and conditions, contract duration and any fees and commissions that are payable.

### Useful questions to ask

- ? Novation – what do I need to do if:
  - I am selling or closing my business?
  - the contract signer/responsible person leaves the business?
  - the business entity/name/ABN changes?
- ? Are there any restrictions or fees for terminating any of the contracts before their end date?
- ? Load fluctuations – what do I need to do if:
  - my usage reduces – perhaps due to installation of solar or health enforced shutdowns?
  - my usage increases – extended hours or increased productivity?
  - there is variation from the contract load – is there load flexibility percentage limitation in the contract?
  - my sites change – is there a limit on Roll-In-Roll-Out of sites in the contract?
- ? Is there any brokerage payable on any environmental products that I choose?
- ? What are the payment terms, how many days after the bill is issued is payment due?
- ? Does the energy retailer have a dedicated service team?
- ? Does the energy retailer have an online portal that I or my energy broker/consultant can access?
- ? If I am interested in Power Factor Correction, Demand Side Management or Green Power solutions, can this energy retailer help me?

## Value-added services fees

Value-added services fees include added services and support offered in addition to energy procurement. These should be negotiated and clearly agreed with your energy broker or consultant.

- For Direct Metering Agreements, the service fee is negotiated between yourself and the energy broker or consultant for an agreed term. The Value-added services fee is added to the Direct Metering Agreement
- When you pay the energy bill, the retailer then passes these fees through to the metering provider, who further passes them on to the energy broker or consultant
- Your energy broker or consultant may offer additional Value-added services not linked to a Direct Metering Agreement. These are negotiated with you with all details clearly explained.

## Metering providers

A metering provider will charge for supplying the meter at the premises. The metering provider is responsible for installing and maintaining the electricity meter(s) at your site so your energy retailer can bill you correctly.

In states in the National Energy Market (namely, ACT, NSW, QLD, SA, TAS and VIC), you have a choice of selecting your own metering provider<sup>2</sup> or having one nominated by your energy retailer.

There may be benefits of selecting your own metering provider which include price, access to historical data and continuity if you change energy retailer. You will have to sign a separate agreement called a Direct Metering Agreement which is an agreement between you and the metering provider.

The initial contract term of a Direct Metering Agreement is usually 3-5 years and may extend past the term of your energy retail contract.

Your energy broker or consultant can help you sign a Direct Metering Agreement. They may add a fee or commission for arranging this. The energy broker or consultant is a third party and not a signatory to the Direct Metering Agreement<sup>3</sup>.

Your energy retailer will charge metering fees on your monthly bill as per the Direct Metering Agreement or at your retailer's standard metering rates.

Some energy retailers charge a fee such as a supplementary metering charge if you enter into a Direct Metering Agreement. If you are not sure about charges included in the Direct Metering Agreement, ask your energy broker or consultant or your energy retailer.

## Tying agreements together

There can be benefits of tying your energy retail contract and Direct Metering agreement together. However, contracts and agreements may have different durations. You should ask for information in writing about any impacts if:

- You want to choose a new energy broker or consultant
- You want to change your energy retailer or metering provider
- If your circumstances are likely to change during the term of these various agreements.

2. As of July 2023, the option to choose your Metering Provider does not currently apply in Northern Territory or Western Australia. In Western Australia, Metering is included in the Network Access Charges

3. Unless you have authorised a broker or consultant to procure this on your behalf through a Letter of Authority



## Solar and batteries

With higher energy prices and a volatile wholesale market, it may be a good time for you to think about solar and/or battery storage for your business.

Solar can be a hedge or risk mitigation tool against future price volatility. As the cost of batteries becomes more economical, you may want to consider batteries now or build flexibility into a solar system to be able to add batteries in the future. Batteries can be especially helpful as arbitrage against peaky prices in shoulder and evening periods.

Be clear about your objectives up front:

- Are you seeking cost savings, net zero mitigation or to reduce network demand?
- Are you seeking an investment for a 10, 20 or 30 year horizon?

Understanding these objectives will help in the design of the right size and capability system.

You will also want to be assured that the company manufacturing and installing your solar and/or battery storage system is reputable and is going to be around to help you in the future. That's why it is important to check references to make sure the supplier has a good history of work for all phases of the project. In the small customer context, the [New Energy Tech Code](#), administered by the Clean Energy Council provides a list of approved sellers.

Ideally, you want a provider who can provide the whole solution for your business, not just put solar panels on your roof. You need someone who can look at engineering and structural requirements and has the capacity to complete all the compliance items. You want your premises to be safe for you, your staff and customers.

You also need to understand what savings the solar and/or battery installation could bring and how that might impact your current energy contract or network tariffs. The system could inadvertently move your business from a large market customer to a small market customer and the billing and energy construct changes could eat away at expected savings. By working with your energy retailer or energy broker or consultant, they can help with analysis before and after the installation to make an economic assessment of the impacts of the system.

You should also check if the proposal includes the majority of items. A lower cost proposal might look good on the surface, but if you have to pay extras such as engineering, switchboard upgrades or building works, these savings could quickly disappear.

Some solar/battery storage suppliers will guarantee that the performance of the system will provide the savings you expect; however, you may have to pay a premium for this which you should consider in your purchase decision.

If having an ethical supply chain is important to your business, then check if the source countries for solar panels and materials are known to have any modern slavery. Even at the local level there can be gaps in the way workers are treated.



## Useful questions to ask

- ? Do you or the energy retailer have the capacity to plan and implement all phases including design certification, engineering, grid application to the local energy distributor(s), implementation and a testing commission report?
- ? Is the solar/battery supplier prepared to guarantee the performance of the system?
- ? What would happen if my tariff were to change due to significantly reducing our load, and can the energy provider supply an analysis of likely changes?
- ? If you are installing a battery indoors, has the planning considered fire regulations and building code compliance?
- ? Which of your customers can you contact for references?
- ? Are the solar/battery suppliers and their installers accredited with the Clean Energy Council?
- ? Do the solar/battery suppliers and their installers understand modern slavery laws and can they advise on the status of the labour and materials they use?





## Power purchase agreements

Traditionally, Power Purchase Agreements (also known as PPAs) have been used by very large energy users to enter into Green Power Purchase Agreements either through an energy retailer or directly with a renewable developer such as a solar or wind farm. Today, more and more large energy users are considering PPAs.

Before you get started, you might want to think about your rationale – reduce emissions and manage long term carbon cost risk, meet your corporate net zero and decarbonisation goals or avoid capital costs of onsite solar/battery solutions at your sites.

Once you decide what is important for your business and confirm the size of your energy load, you can consider whether you want to go through your energy retailer or negotiate your own PPA directly with a renewable developer where you can purchase Large Scale Generation Certificates directly. In either case, you may find working with an energy broker or consultant who is experienced in procuring PPAs to be helpful.

### Useful questions to ask

- ? How might a Power Purchase Agreement help my business, will the benefits outweigh my time and resource costs?
- ? I don't own my facility; how can I consider a Power Purchase Agreement if I am a tenant? Is this more complicated in an embedded network?
- ? Does an arrangement where I purchase through my energy retailer rather than directly with a renewable developer make more sense for me?
- ? I want to position my business as a sustainability leader and improve my brand, but I don't want to "greenwash", how can a Power Purchase Agreement solution help me with these goals?
- ? Can I get help building a business case?



## What to ask your energy broker or consultant?

You may want to ask about their level of experience and how well they understand the energy market and its dynamics, rather than just looking at the offers they can obtain for you. If you are looking for an energy broker or consultant who can help you on an ongoing basis, then it's worth spending a bit of time understanding their particular strengths and experience.

### Useful questions to ask

- ? How long have you worked in the energy sector and what experience do you have understanding energy needs for a business like mine?
- ? Which energy retailers can provide offers through you?
- ? Can you help me with my future needs such as Power Purchase Agreements, solar or battery storage solutions?
- ? Which of your customers can I contact for references?
- ? Do you have a dispute resolution process, and can I have a copy?
- ? Are you a Signatory to the National Customer Code for Energy Brokers, Consultants and Retailers?



## Background

### What is the Customer Code?

The objective of the National Customer Code for Energy Brokers, Consultants and Retailers is to give large energy customers confidence that Signatories are working together in their best interests and delivering value. The Customer Code aims to raise standards of practice, strengthen trust and confidence and deliver better outcomes for customers.

The intention of the Customer Code is to address some of the concerns about third party intermediaries' selling practices raised in the [ACCC Retail Electricity Pricing Inquiry Report 2018](#). As it is not a mandatory Code, this Customer Code is unable to incorporate all of the ACCC's recommendations.

The Customer Code is a high-level, principles-based code which has four commitments to customers:

1. **Customer centricity** – put customers at the centre of our business and make decisions aligned with driving positive customer outcomes.
2. **Transparency** – provide clear, accurate and relevant information to help customers make informed choices.
3. **Fit for purpose** – offer responsible and accurate products and services that are driven by customer needs and preferences.
4. **Accountability** – be responsive to customer needs and take prompt, appropriate action if customers make a complaint and enquiries to ensure continuous improvement.

### How do I know whether an energy broker or consultant is a Signatory?

Look for the Customer Code logo on your energy broker or consultant's website as well as for your energy retailer and check the list of official Signatories [here](#). Signatories have agreed to follow these Customer Code commitments and to act in your best interests.

More information on the Customer Code is available [here](#).

### Can I make a complaint about a Signatory?

If you are not satisfied with a Customer Code Signatory, you can submit a complaint to the Administrator after you have unsuccessfully attempted to resolve the matter directly with the Signatory.

A complaint may include any matter where the Signatory is not meeting its Customer Code Commitments or with the Signatory's complaints handling procedure. You can find details [here](#).