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

Commercial & Industrial Customer

Procurement Checklist

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Your go-to guide to navigate your energy needs

Managing energy costs and finding the best solutions for your business can be complex—but you don't have to navigate it alone. Energy brokers and consultants play a valuable role in helping businesses assess energy needs, compare competitive offers, and secure the best deals across energy retailers, metering providers, solar, and battery storage options. **No matter if you work with a broker, a consultant, or deal directly with an energy retailer, your energy partner should always act in your best interests.**

That's where the Procurement Checklist, developed by the National Customer Code for Energy Brokers, Consultants, and Retailers, comes in.

This Checklist helps simplify the energy procurement process by ensuring you can make informed decisions about costs, commissions, fee structures, and contract terms. It also provides essential questions to ask when considering solar and battery storage, Power Purchase Agreements, innovative tariffs, spot market exposure and metering solutions—helping you approach these decisions with confidence.

If you choose to engage an energy broker or consultant, the Checklist includes key questions to ask to ensure you're working with a provider who is transparent, accountable, and genuinely invested in your success.

Make the most of your energy decisions—use the Procurement Checklist to take control of your costs and secure the right solutions for your business.

Understanding the Letter of Authority – your first step in energy procurement

Signing a Letter of Authority (LOA) or Consent Form is a crucial step in your energy procurement journey. These forms, known by different names, serve a key purpose: they allow energy retailers to provide critical data, quotations, and information about your electricity or gas supply to a third-party broker or consultant on your behalf.

Most LOAs are valid for 12 months, though some may extend beyond this period. To ensure a smooth and hassle-free process, it helps to keep an updated list of:

- ✓ Your site addresses
- ✓ National Meter Identifiers (NMIs)
- ✓ Existing and upcoming energy or metering contracts.

If you've welcomed new staff since your last LOA was signed, you might need to update the authorisation or provide a letterhead confirming their authority.

What does a Letter of Authority allow?

By signing an LOA, you may be granting a broker or consultant permission to:

- Access your interval data and historical energy consumption (typically covering the last 12 months)
- Obtain copies of your energy bills and contracts
- Verify your current Metering Provider and contract end dates
- Confirm your network tariffs
- Seek electricity and gas offers on your behalf.

Does it allow them to act on your behalf?

In some cases, a LOA may authorise a broker or consultant to make decisions on your behalf, such as selecting an energy retailer or metering provider and executing contracts. This can be advantageous in a fast-moving market, however, it's essential to fully understand the scope of the authority before signing. You may wish to set clear limits on what decisions your broker or consultant can make on your behalf. If anything is unclear, always ask for clarification before proceeding.

Key questions to ask before signing:

- Are you using my interval data from my current retailer to secure the most accurate pricing for my sites?
- Does your Letter of Authority include all potential charges, such as value-added services I may opt to use?
- Does this LOA simply authorise you to obtain pricing information, or does it give you authority to make purchasing decisions on my behalf?

Understanding these details upfront ensures that your energy procurement process is transparent, efficient, and aligned with your business needs.

Costs, commissions + fee structure

Choosing the right energy broker or consultant can help your business secure competitive energy rates, but it's essential to understand the costs, commissions, and fee structures before making a decision.

How energy brokers and consultants charge for their services

Energy brokers and consultants operate under different business models, and your choice will depend on your business needs. Their fees may be structured as:

- ✓ Fee-for-service: A set fee or hourly rate agreed upon in advance
- ✓ Commission-based: Compensation paid over time, typically as a percentage of your energy costs.

Some fees are paid upfront, while others are spread out across your energy contract—sometimes appearing on your energy retail bill.

Who pays the broker or consultant?

A key point to note:

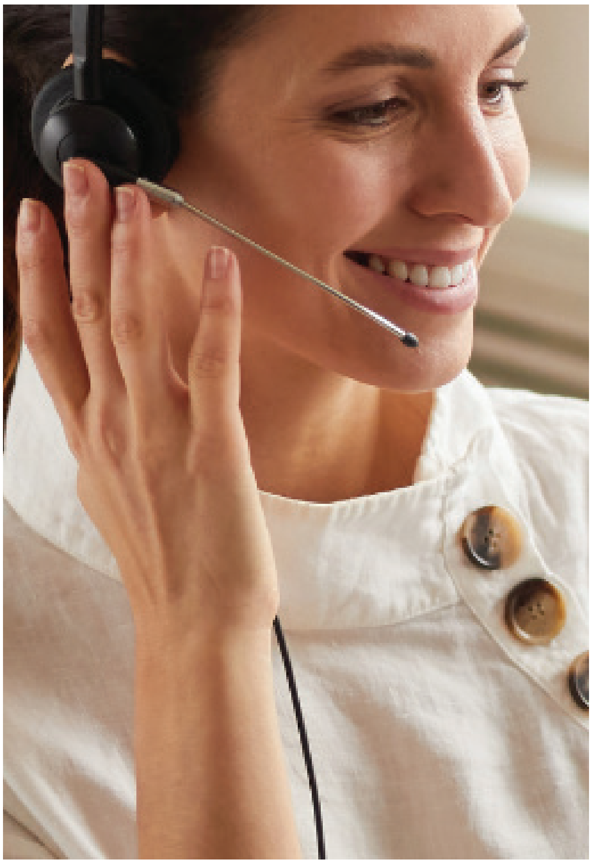
- Energy retailers generally do not pay brokers or consultants for bringing them business; instead, you—the customer—pay the commission
- If your broker's fee is included in your energy bill, your retailer will pass those charges through to them
- For SME sites linked to large energy contracts, some energy retailers may pay brokers a set fee per site.

That's why it's crucial to clarify all fees, commissions, and payment structures upfront before signing an agreement.

Fee-for-service model

This approach means you pay the broker or consultant directly for their services.

- ✓ Agreed-upon fixed fee or hourly rate.
- ✓ May include ongoing value-added services and procurement support.



Key questions to ask before signing an agreement

- What is the total fee I'll be paying for your services?
- Are there ongoing fees for additional services?
- Are there any hidden costs, commissions, or fees I should be aware of?
- What is the exact percentage or cents/kWh commission fee that applies?
- How is your commission calculated? Does it only apply to retail energy charges, or does it include network and market costs?
- Will my commission fee be clearly itemised on my energy bill, or will it be embedded in my rates?
- Are all commissions and fees fully disclosed when you go to market on my behalf?
- Will I be charged fees for early contract termination?

Commission-based model

With this structure, brokers and consultants are paid through your energy retailer based on your energy usage.

- ✓ Commission is tied to your energy contract and billed as cents/kWh or percentage-based fees
- ✓ Typically a trailing commission—spread across your contract duration
- ✓ Commission may appear as a line item on your bill or be built into energy rates
- ✓ The broker or consultant must disclose the commission to you
- ✓ Retailers add the commission to peak/shoulder/off-peak rates
- ✓ Network pass-through costs and market charges do not attract commissions
- ✓ Additional value-added services may come with separate fees.

Understanding these details helps you make informed decisions and ensures transparency in your energy procurement process.

Value-added services

Beyond energy procurement, value-added services can provide additional support tailored to your business needs. These services are negotiated upfront with your broker or consultant, ensuring transparency and alignment with your energy strategy.

Understanding value-added service fees

- ✓ For Direct Metering Agreements – The service fee is determined between you and your broker or consultant for a specific term, with value-added services integrated into the agreement
- ✓ Pass-Through Charges – When you pay your energy bill, your retailer passes these fees to the metering provider, who then transfers them to your broker or consultant
- ✓ Additional Service Options – Brokers or consultants may offer extra support outside of Direct Metering Agreements, giving you flexibility in your energy management approach. All details should be clearly outlined before committing.

Key questions to ask before agreeing to value-added services

- What happens if my value-added service agreement is tied to my metering contract, but my energy contract ends on a different date?
- What is the duration of my value-added service
- Do these services provide benefits that I wouldn't otherwise receive under my existing energy contract?
- Will my fees be shown separately or added to my metering charges?

By asking the right questions and ensuring transparency in agreements, you can leverage value-added services effectively while avoiding unexpected costs or contract misalignments.

Innovative tariffs

Different approaches to tariffs for large energy users can play a pivotal role in reducing and managing energy network constraints. These innovative tariff designs provide brokers and consultants with opportunities to identify tailored solutions for you.

- **Time-of-use tariffs**

By charging different rates based on the time of day, these tariffs can be an incentive for you to shift energy usage to off-peak periods. This reduces strain on the network during peak hours and encourages more efficient energy consumption patterns.

- **Demand-based tariffs**

These tariffs reward you for reducing your energy demand during peak times. By aligning costs with actual network usage, demand-based tariffs promote fairness and help avoid unnecessary infrastructure investments.

- **Export tariffs**

With the rise of distributed energy resources (DER) like solar panels, export tariffs encourage you to feed excess energy back into the grid. This supports grid stability and provides financial incentives to invest in renewable energy technologies.

- **Capacity tariffs**

These tariffs are based on the maximum capacity your business uses over a billing period. They encourage you to optimise your energy usage and avoid spikes that strain the network.

- **Dynamic tariffs**

Dynamic pricing adjusts rates in real-time based on network conditions. This approach allows you to respond to price signals and reduce consumption during periods of high demand.

- **Renewable Energy Integration**

Tariffs that incentivise the use of renewable energy sources, such as solar or wind, help you to reduce your reliance on traditional energy and contribute to a more sustainable grid.

By working with innovative tariff structures, brokers, consultants and retailers can guide you toward solutions that not only reduce costs but also alleviate network constraints. These approaches align with broader energy transition goals and pave the way for a more efficient and resilient energy system.

Opportunities and risks with spot market exposure

Spot market exposure in the energy sector offers both opportunities and risks, particularly for large energy users.

Basics of Spot Market Exposure

The spot market is where electricity is traded for immediate delivery, with prices fluctuating in real-time based on supply and demand conditions. Unlike fixed-rate contracts, spot market prices can change dramatically, even minute by minute. This volatility is influenced by factors such as weather, grid demand, supply disruptions, and geopolitical events.

Opportunities

1. **Cost savings:** You can benefit from lower wholesale energy prices during periods of low demand
2. **Flexibility:** Spot market exposure allows you to adjust your energy purchasing strategies in real-time, responding to favourable market **conditions**
3. **Access to market trends:** You can make informed decisions based on current price fluctuations and market dynamics.

Risks

1. **Price volatility:** Sudden price spikes can lead to unexpected and significant energy costs, potentially impacting your bottom line
2. **Budget uncertainty:** The unpredictability of spot market prices makes it challenging for you to forecast expenses
3. **Reliability concerns:** Unforeseen events, such as natural disasters or supply disruptions, can exacerbate price fluctuations and affect energy availability.

A broker, consultant or your energy retailer can help you navigate the complexities of spot market exposure. They provide:

- **Risk management strategies:** Helping you hedge against price volatility through techniques like block purchasing or financial hedging.
- **Market insights:** Monitoring trends and forecasts to guide purchasing decisions and avoid high-cost periods.
- **Tailored solutions:** Designing procurement strategies that align with your specific needs and risk tolerance.

Green certificates + environmental charges

Green certificates and environmental charges are mechanisms designed to promote renewable energy and reduce carbon emissions. Here's a breakdown of what they are and how you can navigate them:

Green certificates

Green certificates, such as Large-Scale Generation Certificates (LGCs) and Small-Scale Technology Certificates (STCs), are tradable instruments under Australia's Renewable Energy Target (RET). They represent the generation of renewable energy and are used to incentivise renewable energy production.

- **LGCs:** Issued for renewable energy generated by large-scale power stations, such as wind or solar farms
- **STCs:** Created for small-scale renewable energy systems, like rooftop solar panels

Energy retailers and large energy users are required to purchase and surrender these certificates to meet their renewable energy obligations. This cost is often passed on to you as part of your energy bills.

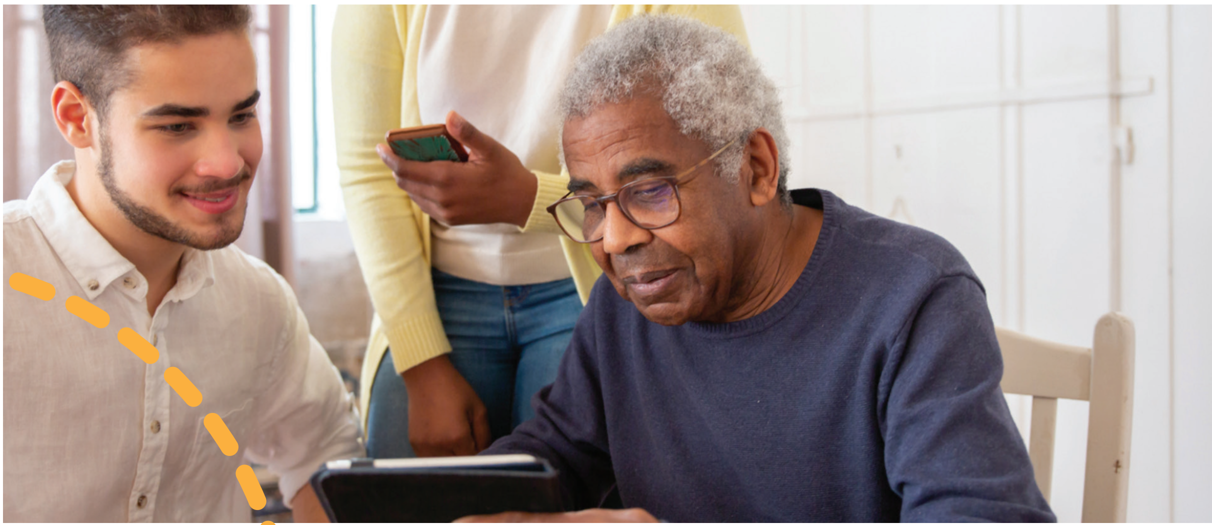
Environmental charges

Environmental charges include costs associated with carbon pricing, emissions reduction schemes, and other regulatory measures aimed at mitigating environmental impact. These charges are designed to encourage you to adopt cleaner energy practices and reduce your carbon footprint.

Finding out more

Large energy users can lean on brokers and consultants to navigate these charges effectively. Here's how they can help:

- **Expert guidance:** Brokers and consultants can explain the implications of green certificates and environmental charges on energy costs
- **Strategic planning:** They can help you identify opportunities to reduce costs, such as investing in renewable energy systems or optimising energy usage
- **Compliance support:** Brokers and consultants ensure your business meets regulatory requirements while exploring cost-saving measures.



Making the right choice for your metering provider

Selecting a metering provider is an important decision that can impact your energy costs, data accessibility, and long-term flexibility. While your energy retailer can assign a provider, you also have the option to choose your own—a choice that may offer financial and operational benefits.

Your energy broker or consultant can assist in securing a DMA, though they may apply fees or commissions for arranging it. Since brokers and consultants are third parties, they do not sign the DMA unless you have given them consent to do so. Their role is simply to help facilitate the process.

Why your metering provider matters

Your metering provider is responsible for installing and maintaining your electricity meter(s), ensuring your energy usage is accurately measured so that your retailer can bill you correctly.

In states participating in the National Energy Market (ACT, NSW, parts of QLD, SA, TAS, VIC), you can select your own metering provider or use the one assigned by your retailer. Opting for your own provider may give you:

- ✓ Cost control – Competitive pricing for meter installation and maintenance
- ✓ Data access – Easier retrieval of historical energy usage data
- ✓ Contract continuity – Flexibility if you decide to switch energy retailers

Understanding the Direct Metering Agreement (DMA)

Choosing your own provider means signing a DMA—a separate contract between you and the metering provider. This agreement typically lasts 3–5 years, possibly extending beyond your energy retail contract.

How metering fees are charged

- Your energy retailer bills you for metering fees based on the DMA or standard retailer rates
- Some retailers apply supplementary metering charges if you enter a DMA
- If unclear about costs, ask your broker, consultant, or retailer to clarify all fees.

Choosing the right metering provider can give your business more control over costs, data, and flexibility, so make sure to explore your options before making a decision!

Key questions to ask before signing a DMA

- How will my metering fees be structured in my monthly bill?
- What happens if my metering agreement lasts longer than my energy retail contract?
- Will I get better access to my historical energy data by selecting my own provider?
- Are there any hidden fees, such as supplementary charges from my 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.

Thinking about solar + batteries? Now might be the perfect time

With energy prices on the rise and the wholesale market becoming more unpredictable, it's a smart time to consider solar power and battery storage for your business.

Why? Because solar isn't just about going green – it can be a savvy financial move too. Think of it as a hedge against future price spikes. And with battery costs coming down, now could be a great time to look into adding storage – or at the very least, designing your solar system to be battery-ready when the time's right.

Batteries, in particular, are becoming a powerful tool for managing costs during high-price periods in the early evenings and shoulder times. They give you more control, more flexibility, and potentially greater savings.

Know your "why" before you buy

Before jumping in, it's important to get clear on what you're hoping to achieve:

- Are you focused on cutting costs, reaching net zero, or easing pressure on the grid?
- Are you planning for the next 10, 20 or even 30 years?

Being crystal clear on your goals will help make sure the system you install is the right size, the right design, and delivers the right outcomes.

Work with the right people

Solar and battery systems aren't a one-size-fits-all solution – and they're not just about chucking some panels on your roof. You want a provider who can handle the full picture: from structural assessments and engineering to compliance and grid applications.

Make sure the company you choose is reputable, accredited, and will be around in the long run. Ask for references and check whether they're listed under the New Energy Tech Consumer Code, managed by the Clean Energy Council. This gives you peace of mind that you're dealing with an approved seller who meets high standards across the whole customer journey.

Do the maths

It's not just about what a solar or battery system might save you – it's about how it fits in with your current energy setup. Depending on your usage, installing a system could change your tariff or shift your business into a different market category, which might have unexpected impacts on your energy bill.

A good energy consultant, broker, or your retailer can help you assess the financial impacts before and after installation, so you know exactly what you're getting into.

Don't get caught out by hidden costs

A lower quote might seem appealing – but make sure you're comparing apples with apples. If the quote doesn't include essentials like engineering, switchboard upgrades or building works, you could be up for hefty extras down the track.

Some suppliers may even guarantee the performance of the system – which sounds great – but remember, those guarantees often come with a price tag. It's worth weighing up if that extra cost is worth the peace of mind.

Ethics matter too

If your business values ethical sourcing, it's worth digging into the supply chain. Ask where the solar panels and materials are made and whether the company has transparency around modern slavery risks. This applies locally too – make sure the workers involved in your project are being treated fairly and paid properly.

Installing solar and batteries can be a game-changer for your business – financially, environmentally, and operationally. But it pays to ask the right questions and partner with the right experts to get it right from day one.

Key questions to ask before you commit:

- Can the provider handle the whole process – from design and engineering to grid approvals, installation and testing?
- Will they guarantee system performance, and what does that mean for the cost?
- Has your energy retailer explained how your tariff might change, and provided a financial impact assessment?
- If you're installing batteries indoors, have fire and building safety rules been considered?
- Can they provide references from other business customers?
- Are the supplier and installers accredited with the Clean Energy Council?
- Do they understand modern slavery laws and can they demonstrate ethical sourcing?

Power Purchase Agreements – a smart move for businesses thinking long-term

Traditionally, Power Purchase Agreements (PPAs) were only for the big end of town – major energy users locking in long-term deals with renewable energy projects like solar or wind farms.

But times are changing. These days, more and more medium-to-large businesses are exploring PPAs as a smart way to lock in cleaner, greener, and potentially more cost-effective energy.

So, why should you consider a PPA?

The case for PPAs

PPAs can help your business:

- Meet net zero and sustainability goals without needing to invest upfront capital in onsite infrastructure
- Reduce long-term carbon risk exposure
- Show leadership in sustainability without compromising on commercial outcomes.

They also offer a way to secure renewable energy at scale, often at competitive prices – especially important with electricity prices becoming more unpredictable.

Retailer or direct deal – What's right for you?

Once you've nailed down your energy needs and priorities, you'll want to decide how to structure your PPA:

- Through your energy retailer – a simpler, more familiar option that still allows you to claim the environmental credentials
- Directly with a renewable developer – where you may have more control and visibility, and can purchase Large-Scale Generation Certificates (LGCs) directly.

Both paths can work well, depending on your internal resources, appetite for involvement, and your sustainability strategy. An experienced energy broker or consultant can be a big help here – guiding you through the process, comparing options, and making sure the deal stacks up.

Important questions to ask before you dive in:

- How could a PPA benefit my business – and will it deliver more value than it costs in time and resources?
- If I lease my premises, or I'm in an embedded network, can I still pursue a PPA? What's the best way to navigate that?
- Would going through my current energy retailer be simpler – or would a direct agreement with a renewable project offer better long-term outcomes?
- How can a PPA support my sustainability messaging without falling into the trap of greenwashing?
- Can I get support building a solid business case to present internally or to stakeholders?

Final thought

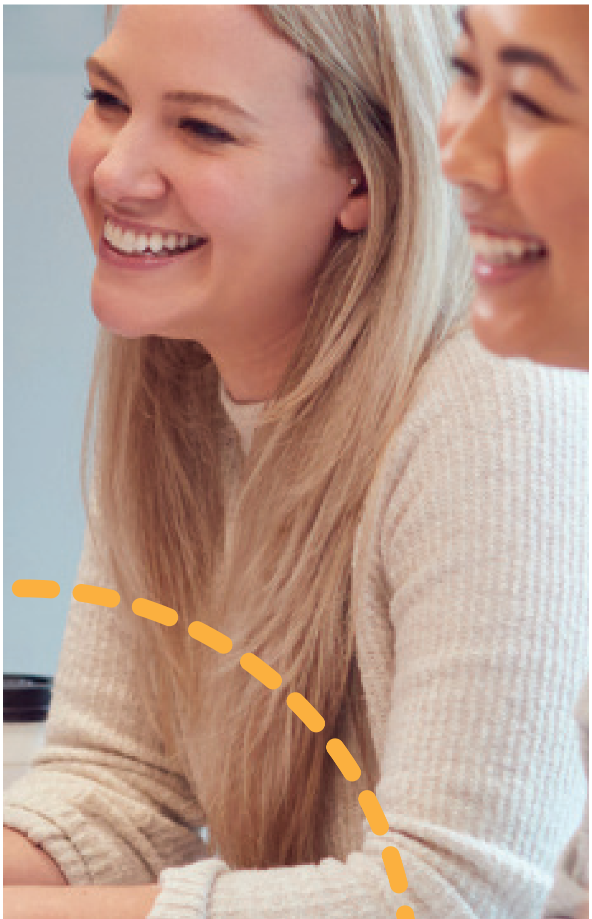
PPAs aren't just for the ASX-listed giants anymore. They're becoming an increasingly practical and strategic option for businesses of all sizes who want to take climate action, control their energy future, and do it all in a way that makes commercial sense.

Keen to explore what a PPA might look like for your business? Start by asking the right questions and speaking to someone who knows the PPA landscape
inside out.

What to know about your energy broker or consultant

Working with the right broker or consultant can make a big difference – not just in cost savings, but in finding a trusted partner who can support your business through a changing energy landscape.

If you're working with an energy broker or consultant, it's a good idea to look beyond just the offers they can get you. A great broker brings more than price comparisons – they offer experience, insights, and ongoing support to help your business make confident energy decisions now and into the future.



If you're looking for someone to work with long-term, it's worth taking a little extra time to understand their strengths, approach, and how well they know the energy market – especially in the context of your industry or business type.

Helpful questions to ask:

- How long have you worked in the energy sector, and do you have experience supporting businesses like mine?
- Which energy retailers do you work with, and how wide is your access to competitive offers?
- Will you include all billing costs and charges in your quote or just the retail component?
- Can you help me with future plans too – like Power Purchase Agreements, solar, or battery storage?
- Can I speak to some of your current or past customers for references?
- Do you have a clear dispute resolution process in place? Could I see a copy?
- Are you a signatory to the National Customer Code for Energy Brokers, Consultants and Retailers?

How do I know whether a 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.

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.

More information on the Customer Code is available here.

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