

7 August 2023

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Submitted via email: marketperformance@aer.gov

Dear Gavin

Retail Guidelines Review - Issues Paper Submission

Thank-you for the opportunity to provide a submission in response to the Australian Energy Regulator's (AER) (Retail Law) Performance Reporting Procedures and Guideline Review – Issues paper released in July 2023.

Momentum Energy Pty Ltd (Momentum) is an Australian operated energy retailer, owned by Hydro Tasmania, Australia's largest producer of renewable energy. We pride ourselves on providing competitive pricing, innovation and outstanding customer service to electricity consumers in Victoria, New South Wales, South Australia, Queensland, the ACT and on the Bass Strait Islands. We also retail natural gas to Victorian customers. We aim to offer competitive rates to both residential and business customers along with a range of innovative energy products and services.

1. Overview

We note these guidelines were last reviewed in 2018, with a commencement date in 2019. We support this further review to ensure the data requested remains of high quality, relevant and comprehensive. We urge the AER to ensure that the frequency and scope of data requested adds value to the reporting, while also considering whether the cost to deliver this data outweighs the benefits. We encourage the AER to consider reducing the overall data requested in an effort to minimise any unnecessary reporting burden imposed on retailers, which results in increased retailer costs.

2. Specific Responses to the Questions Raised in the Issues Paper

Question 1: Do you have any comments on the proposed implementation time frame of 6 months and commencement date of 1 July 2024 and what steps the AER can take to minimise the costs of reporting under the revised Guidelines.

The proposed implementation timeframe appears reasonable and is in line with good industry practice for guideline changes of this type. We urge the AER to ensure a clear 6 months remains between publication and implementation to allow Momentum to build and test any system changes required to capture the new data required. As we do not have full

scope of the final changes to the guideline currently, we would appreciate the opportunity to review the effective date once the final guideline is determined.

Question 2: Consultation question on new indicators. What is your view on the indicators we have identified to potentially add to our suite of indicators? Are there any additional benefits or potentially unforeseen costs of adding these indicators and are there other indicators we should consider adding?

Life Support

Momentum understands the AER's desire to report on the number of life support customers, given the critical needs of these customers during power outages and emergencies. However, we consider this data would be better captured from distributors as they have the ultimate control and responsibility to ensure the ongoing power supply and life support status of these sites. We also note the AER's suggestion to capture the number of life support customers registered and deregistered each reporting period. From a retailer perspective, these numbers can be dynamic as we register life support customers upon their initial indication to move into a property or upon contracting with a retailer. In some cases, the customer changes their mind or "cools off" and selects an alternative retailer. This means that the retailers life support numbers can change more frequently, and more reliable data is available at the distributor level.

Family Violence

We note the proposal to seek more information on the number of family violence affected customers and the sub-categories that they are managed under. Momentum does not support this proposal as we do not consider it provides any practical benefit for these customers. The critical priority is that family violence affected customers have been readily identified and that they are receiving the appropriate support relevant to their situation and request. We do not believe capturing sub-categories of family violence customers will serve any additional purpose. Moreover, it is difficult to accurately report the number of customers that are no longer affected by family violence in a reporting period as, in most cases, customers do not advise their change in status and, due to the confidential nature of this issue, Momentum does not actively seek confirmation of a change in status.

Questions 3 and 4: Consultation questions on refining current indicators. What are your views on the proposed changes to current indicators? Are there any other indicators that would benefit from being revised?

Debt Indicators

Momentum believes that 0-day debt reporting is problematic, as it would require reporting to be completed daily and weekly to ensure accuracy. Additionally, we do not consider there is a benefit to 0-day debt reporting. At times customers pay after the due date, but this is not a reflection of debt hardship or any other vulnerability issue. As provided during the COVID 19 period, reporting on 30, 60 and 90+ day debts is achievable but we question the value of such insights under current conditions.

Alternative Debt Arrangements

Momentum was able to report on “payment extensions” during the COVID-19 period and has the capability to include this data item in ongoing reports. However, we require further clarity on the definitions of the other alternative payment arrangements discussed in the Issues Paper, such as “promise to pay” or “use now pay later services”. It is highly likely that we do not record this information and that it would require additional system changes to deliver. We question the value of capturing these additional data items and request that a robust cost benefit analysis be undertaken before they are mandated.

Tariff and Meter Types

Momentum does not support reporting additional metering data and tariff data as we do not think there is an identified benefit to expanding this indicator. Momentum is concerned that many customers do not desire time of use pricing or demand pricing, as they do not wish to change their usage behaviour or be exposed to any pricing risk. While these new tariffs can offer benefits to consumers, they could also expose them to price increases if they do not change their usage behaviour. We do not believe that the regular, onerous collation of this data will assist the transition of customers to tariffs that they do not desire. We note retailer energy offerings and tariffs are published on the ‘Energy Made Easy’ comparator and are readily available for the AER to review. Customers understand their usage and preferred behaviours and therefore they decide on when and if they choose to transition to cost reflective tariffs. Collating the numbers of customers on various tariffs in isolation does not indicate if a customer has or has not made a conscious decision to choose a particular pricing model over another. We believe that this information would be better determined via data sampling combined with customer surveys and focus groups.

Concession Data

Momentum currently reports the number of customers receiving an energy concession to the AER. We are unsure of the additional data the AER is seeking by their proposal to broaden this requirement to capture data on customers entitled to receive an energy concession. If we have a concession card recorded on a customer’s account, they will receive a concession. We seek further clarity on what additional data the AER is seeking under this new proposal.

Questions 5 and 6: Consultation questions on increased frequency and granularity of data collection. What are your views on providing more frequent data for selected indicators? What are your views on providing more granular data for selected indicators?

Data Frequency - Monthly

Momentum is concerned about providing monthly data, particularly when many of the relevant customers are billed quarterly. While we complied with the obligation to report monthly during the pandemic period, this was delivered using manual work arounds that created an additional workload for key personnel. Momentum would require system changes to deliver this data monthly, which would rely heavily on estimated data given most

meters are read quarterly. We understand that the Australian Energy Market Commission (AEMC) under their Metering Review is contemplating an accelerated roll out of monthly read smart meters over the coming few years. Therefore, accurate monthly metering data will progressively be available, and we urge the AER to not increase the frequency of monthly data until this meter rollout is completed. This will maximise the benefits of smart meters and limit additional short-term costs for retailers.

Granularity of Data

Momentum is concerned with the proposal for greater data granularity and collecting data at a metro/regional level. Collecting data along a metro/regional divide would require us to collate data at a postcode level, which creates system changes. As some postcodes cross state borders this further complicates the reporting system. The purported reason for this change is to assess the extent of retail competition, in all areas. We believe this could more readily and more efficiently be achieved via increased scrutiny of the government comparator website (Energy Made Easy) by the AER or by asking retailers which postcodes they do not market to in each jurisdiction.

Question 7: Consultation questions on the consolidation of indicators: What is your view on the indicators proposed to be consolidated or removed in the revised Guidelines? Are there any additional indicators that could fall under this category?

Momentum agrees with the AER's proposal of removing and consolidating various indicators as the information required is either repetitive or unnecessary. This will remove some of the regulatory reporting burden. At this stage, we do not have any other additional indicators that could fall under this category.

Questions 8 and 9: Consultation questions on service standards, GSL schemes and small compensation claims (For distributors): Question 8: What is your view on reporting service standard and GSL scheme data under the revised Guidelines in place of the current voluntary reporting? Question 9: What is your view on the proposed change to include a specific 'small compensation claims' reporting requirement in the revised Guidelines if a jurisdiction were to adopt the regime?

Momentum has no comment on the distributor related questions.

Should you require any further information regarding this submission, please don't hesitate to contact me on 0478 401 097 or email randall.brown@momentum.com.au

Yours sincerely

[Signed]

Randall Brown

Head of Regulatory Affairs