

4 May 2023

Consumer Policy  
Attention: Mark Feather  
Australian Energy Regulator

Lodged by email: [REDACTED]

Dear Mark,

**RE: Better Bills Guideline – Bill relief rebate message letter**

Powershop is an innovative retailer committed to providing low prices for customers and which recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system. Powershop has introduced several significant, innovative and customer-centric initiatives into the retail energy market, including the first mobile app that allows customers to monitor their usage, a peer-to-peer solar trading trial and a successful customer-led demand response program.

Powershop thanks the Australian Energy Regulator (**AER**) for issuing their Better Bills Guideline – Bill relief rebate message letter (the '**Letter**') and the opportunity to provide feedback to the proposed changes to the Better Bills Guideline (the '**Guideline**').

**Statement**

Powershop supports providing customers with relevant and succinct information in a timely and efficient manner, acknowledging the intent of the Letter. For the reasons provided below, Powershop does not support the proposed process requiring retailers to alter billing information under the Guideline to accommodate a statement in relation to the Energy Price Relief Plan announced recently by the Australian Government. We understand that the Commonwealth Department of Climate Change, Energy and Water (the '**Department**') has requested the AER to facilitate the inclusion of Tier 1 information on the front page of the bill.

**Policy position**

While Powershop understands the AER has the ability under the Guideline to affect a change to Tier 1 content requirements, we consider that these powers should not preclude the AER from consulting with industry effectively and with the appropriate rigour that such a change warrants, given the impact to retailers.

Powershop believes any future requested changes to Tier 1 information must be consistent with the principles of the Guideline and further, go through a rigorous consultation process, well in advance of an intended start date.

**Inconsistency with the principles and objective of the Better Bills Guideline**

Notwithstanding the below challenges outlined, we urge the AER, in responding to the request to consider that retailers must comply to the Guideline's principles and objective when establishing or amending any part of the Guideline.

In summary the principles require the need for consumer protections for small customers to be considered, while also enabling retail market innovation, competition and consumer choice. The costs of compliance with the Guideline for retailers and the potential resulting costs for small customers must also be considered.

The principles also require a considered judgement as to whether the amendment is effective and proportionate to the expected benefits and finally, if an amendment is in line with the potential benefits of standardising language and terminology across bills, customer retail contracts and energy offers.<sup>1</sup>

Furthermore, the objective of the Guideline must provide billing information that enables a small customer to easily understand their bill, with respect to basic information which includes:

1. Amounts owing, the date when the bill is due and the payment methods they can use.
2. How their bill is calculated (e.g. tariffs and charges, discounts).
3. How much energy was consumed and produced during the billing period with related costs and revenue.
4. How to dispute their bill, make complaints or raise a query with their retailer.
5. How to access interpreter services if required or seek financial assistance.
6. How to report a fault or emergency relating to their energy service.

“The AER must make the billing guideline to enable retailers to meet the bill objective, when preparing and issuing bills to small customers”.<sup>2</sup>

Powershop does not consider that making the changes requested in the Letter from the Department achieves the principles of costs for retailers and consumers, nor does the Department’s letter provide evidence that this message on Page 1 of a Bill is effective or beneficial to customers.

### **Challenges with the current proposal**

Powershop outlines below the issues and concerns we have with implementing this request. They are material in nature and require further, stronger consideration, including exploring alternative solutions that would not require a change to the billing guidelines so close to the effective date of 30 September 2023, given compliance plans and development is well underway.

#### ***Uncertainty with mode of rebate delivery***

Powershop does not believe that a change to Tier 1 information to include information on the ‘Energy Price Relief Plan’ can be successfully delivered within the required timeframe. Industry does not have detailed information from the relevant government departments, both State and Federal, on how these rebates are to be delivered to eligible customers at this late stage.

Information relating to the delivery and eligibility of the ‘Energy Price Relief Plan’ is required prior to retailer system changes. This extends to how Powershop would incorporate the required information within its Tier 1 messaging. Given the costs and risks associated, Powershop believe there is little justification for this rule change given only a segment of customers will be entitled to the ‘Energy Price Relief Plan’ and that the rebate is temporary in nature.

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<sup>1</sup> Australian Energy Market Commission, Rule Determination, Bill Contents and Billing Requirements, March 2021, Page 40

<sup>2</sup> AEMC, Rule Determination, Bill Contents and Billing Requirements, March 2021, Page 8

### ***Customer eligibility and qualifications***

Powershop believes the letter and the request to change Tier 1 information incorrectly assumes that all customers are going to receive this rebate, when only the following customers qualify:

1. Customers who hold a Health Care Card (HCC), Pensioner Concession Card (PCC), or DVA Gold Card (GHC). These customers are currently receiving a State Funded Energy Concession;
2. Small Business customers, which each retailer would have a system to identify; and
3. Customers who are the holder of another Centrelink benefit that does not entitle them to an energy concession. Examples include Commonwealth Seniors Health Card (CSHC) and Family Tax Benefit (FTB).

Powershop believes the proposal leads to a material mismatch by applying a dynamic, qualified message to a generic part of the bill. The letter asks retailers to either apply the message to all customers regardless of rebate qualification which could cause confusion or, to significantly manipulate and change their billing systems to include the message only on bills for those who qualify, compromising the application of the generic Tier 1 information and a retailer's billing system.

### ***Change within an implementation process***

Powershop and its technology partner has already scoped and commenced development of its new design. Any changes to the content at this late stage would require a full redesign of the front page to allow for this message, new discovery work on the development side from our partner, new statements of work, and ultimately delays to Powershop being able to build, test and implement the Better Bills framework by the regulated commencement date. This seemingly minor change has significant cost implications for retailers and ultimately customers.

### ***Message content***

If it is deemed that changes must be made to retailers' bills, Powershop in line with the above advice, believes the wording requirement in the letter should be more succinct and easier to understand for a customer. Powershop suggests the following wording to apply as a line item on the bill (in line with where we include information on existing relevant state-based rebates and concessions):

'Commonwealth and state government funded rebate under the Energy Price Relief Plan'

The dollar amount can then be applied in the same manner as other rebates we administer with respect to state governments concession and rebate schemes.

### ***Dynamic values***

Powershop, as per above, would prefer a simplistic line item on the bill than can be linked to our billing system as with other rebates, rather than attempting to insert a dynamic value into the generic Tier 1 of the bill. Trying to insert this dollar amount in the Tier 1 section would require significant rework of our systems. Also, in view of this rebate applying for only a 12-month period, Powershop does not believe a change to tier 1 information balances the costs and benefits of such a message.

**Alternative solution**

Powershop understand that the Department wishes to draw customers' attention to the rebates and disclose how the Energy Price Relief Plan has affected the final amount of the bill. Powershop consider a bill must already contain this information, including a break-down of concession or rebate amounts and their impact on the cost of the bill. The energy sector is well accustomed to the application of concessions, and it is worthy to look at alternatives that may be simpler, effective and more efficient to implement.

Powershop believe there are more appropriate avenues for drawing eligible consumers attention to rebates of this nature, including advertising campaigns, clear and concise web content from the Government and information to retailers to house on their own websites.

Additionally, the rebate could be disclosed on the bill as a Tier 2 item (page 2 of the bill) allowing retailers to determine their best method of delivery. This would avoid many of the costs and complexities associated with classifying the rebate as Tier 1 information, with the customer still being adequately informed of the rebate within the bill itself.

**Conclusion**

For the reasons outlined above, if it is determined that this information must be contained within the bill, Powershop believes a more targeted, effective approach would be to consider a billing reference for the rebate to be placed as a Tier 2 item of the Guideline. This would not require any amendment to the Guideline as it is in line with how retailers generally display existing state funded concessions and rebates and in a location customers will typically be accustomed to finding this type of information. Further, this would allow the Federal Government to continue to provide its own messaging of the benefits of the rebate and to explain further issues including customer qualification of the rebate.

For future proposed changes to Tier 1 billing information under the Guideline, Powershop encourages the AER to undertake a more holistic review and consultation with its key stakeholders such as retailers. Consultation must be timely and allow for feedback on costs and resources, ensuring there is an informed judgement on the impacts and risks for customers and retailers alike.

If you have any questions or you would like to discuss this submission further with Powershop, please contact Alan Love, Regulatory Manger at [REDACTED].

Yours sincerely

Libby Hawker  
GM Regulatory Affairs & Compliance