

2 May 2023

Mark Feather General Manager, Policy and Performance Australian Energy Regulator

Email:

Dear Mr Feather

Better Bills Guideline - Bill Relief Rebate Message

Origin Energy appreciates the opportunity to provide comment on the Australian Energy Regulator (AER) proposed amendment to the Better Bills Guideline (Guideline) to take into account the National Cabinet's agreed *Energy Price Relief Plan* (Relief Plan).

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) submitted a request to the AER seeking that they require retailers to place the following text on the front page of consumer bills:

"Your electricity bill has been reduced by your eligibility for a \$x rebate funded by the Commonwealth and state governments under the Energy Price Relief Plan"

We note the AER is proposing to approve this message to be included as part of Tier 1 information in the Better Bills Guidelines (Guidelines) as requested by DCCEEW. It should be noted that the DCCEEW has not consulted with energy retailers on 1) the appropriateness of the message or 2) the technical feasibility of applying this message as part of tier 1 information.

We do not support the proposed text as currently drafted for the following reasons:

• The approach to place the message on the front page (ie Tier 1) of the bill is inconsistent with the approach and decisions made as part of the development of the Better Bills Guidelines. The AER took the view, as part of the development of the Guidelines, that the placement of information in relation to concessions and rebates was most appropriate in the "understand your bill" section which is Tier 2 information:

"we consider that limiting government funded energy charge rebate, concession or **relief scheme** information to the understand your bill section is presently a sufficient indicator for consumers in rationalising concessions/rebates/relief schemes applied to the bill¹."

The Energy Price Plan is a relief scheme and there does not appear to be any reasons to suggest why this payment should be treated in any different manner to the current treatment and billing of rebate schemes.

• The dynamic nature of the statement will require the calculation of the rebate for each eligible bill. The amount is likely to vary per jurisdiction, per billing period and per customer. This is

¹ AER, Notice of Instrument: Better Bills Guideline, 31 March 2022 p27.

likely to be significantly complex to build and costly to implement. The additional costs of implementing the requirements will be borne by customers through energy retail prices.

- The message will only be relevant to 'eligible' small customers with the eligibility still being worked through between retailers and the Commonwealth Government. We note the AER's letter to retailers does not refer to limiting the message to 'eligible' customers. It is critical that a message is limited to customers that receive a payment to reduce customer dissatisfaction that a message has been placed on their bill but they are not entitled to a payment.
- The timeframe for implementation is significantly compressed. The new Guidelines become
 effective on 30 September 2023 with Origin in the process of finalising bill design, IT build and
 testing. The message, with its dynamic nature, will place further pressure to deliver the new bill
 format and increases the risk of not delivering the changes within the required timeframe.

Origin strongly believes the AER should continue to treat concessions and relief payments on a consistent basis with messages or information about a relief payment provided as required under clause 41(c)(ix) of the Guidelines. This would mean that information and the amount of the relief payment would be included at Tier 2 information. To make a decision that diverges from this will introduce ambiguities and create a precedent that jurisdictional Regulators or Governments can direct changes to the Guidelines at their discretion. This goes against the regulation principles of the Guidelines.

If the AER continues to proceed with the DCCEEW request to place a message on the front page of a 'eligible' customer's bill, the dynamic dollar nature of the message should be removed. This is significantly complex to build as it will require the development of IT logic that links an amount in two places on a bill. It should be a generic message stating that the customer has received a Relief Plan payment:

"A rebate has been applied to this electricity bill, under the Commonwealth and State Government's Energy Price Relief Plan."

This will be the most effective and cost-efficient means to provide the message to eligible small customers.

Closing

We strongly support the Commonwealths Government's development of the Energy Relief Plan for small customers. However, we believe that the AER should continue to treat concessions and relief payments on a consistent manner under the Guidelines – this information should form part of the Tier 2 information. This will ensure that all information in relation to concessions and rebates are logically placed together in the one place on a customer's bill.

If you would like to discuss any aspect of this submission, please contact Caroline Brumby on in the first instance.

Yours sincerely

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Group Manager Regulatory Policy