

20 September 2019

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235
Reference: RRC0028



EnergyAustralia
LIGHT THE WAY

Lodged electronically: www.aemc.gov.au

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Dear Commissioners

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**AEMC consultation paper - regulating conditional discounting –
1 August 2019**

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EnergyAustralia welcomes the opportunity to contribute to the Australian Energy Market Commission's (AEMC) consultation on conditional discounting.

EnergyAustralia supports all reforms that aim to provide fair and simple outcomes for customers. We recognise that customers may have not always benefited from retailer practices and have recently taken actions to address some of the most common customer "pain points". From 1 July 2019, our new product range means that customers will see:

- usage and supply charges fixed for at least 12 months for all new products
- no conditional discounts (i.e. removal of pay-on-time discounts)
- reduction of the number of plans from five to three (including a 'no discount' plan)
- guaranteed discounts applied to the total energy bill (i.e. not just usage charges)
- no mandatory conditions or exit fees.

We made these changes to provide certainty to customers around what they can expect from their market plan when they are a customer with us.

We encourage the AEMC to assess the timing and need for the proposed rule change in light of recent regulatory interventions. Under the DMO, retailers are prohibited from making conditional discounts the most conspicuous price-related matter in their advertisements. Any advertised conditional discounts must also be separately identified from both the unconditional and reference prices. The ESC is also considering its own restrictions on conditional discounts in Victoria. As reported by the AER and ACCC, the number of offers with conditional discounts has now significantly decreased, and retailer pricing and advertising practices appear to be still evolving. We therefore recommend the AEMC delay and reassess the need for the proposed rule change once the market has fully adjusted.

If you would like to discuss this submission, please contact Lawrence Irlam on 03 8628 1655 or Lawrence.irlam@energyaustralia.com.au.

Regards

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