

19 September 2019
Ben Davis
Australian Energy Markets Commission
Level 6, 201 Elizabeth Street
Sydney NSW 2000

NATIONAL ENERGY RETAIL AMENDMENT (REGULATING CONDITIONAL DISCOUNTING) RULE

Thank you for the opportunity to provide a submission in response to the consultation paper on Regulating Conditional Discounting.

Momentum Energy is a 100% Australian-owned and operated energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland, the ACT, and on the Bass Strait Islands. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest producer of renewable energy.

We are conscious that the Pay on Time discount has become a defacto penalty for late payment and that what was once a legitimate credit management strategy for retailers has become a cynical ploy to exploit customer confusion. We consider however, that recent reforms, and in particular the introduction of a default market offer (DMO), obviate the need for further changes to the NERR at this time. The DMO effectively allows for greater comparability of offers and the advertising requirements imposed through the Electricity Retail Code limit the use of conditional discounts as a hook to attract customers.

Although we do not offer discounted products, and consequently will not be directly impacted by the proposed changes we consider that the rate of change to the regulatory regime has been so rapid that it is unclear at which point the cost of reform will outweigh the benefit to consumers. It would be imprudent to impose further change on the industry when the results of previous reforms have not yet been assessed. In light of this we recommend that the AEMC continue to monitor the market to determine the impact of recently commenced reforms before making a determination with regard to any related changes.

If you require any further information with regard to these issues, please contact me on (03) 8651 3565 or email joe.kremzer@momentum.com.au

Yours sincerely

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