

13 May 2025

Lisa Fukuda  
Project Lead  
Australian Energy Market Commission  
GPO Box 2603  
SYDNEY NSW 2001

Submitted electronically: [aemc.gov.au/contact-us/lodge-submission](https://aemc.gov.au/contact-us/lodge-submission)

**Reference: RRC0060**

Dear Ms Fukuda

**RE: National Energy Retail Amendment (Assisting hardship customers) Rule 2025 draft rule determination**

Momentum Energy Pty Ltd (**Momentum, our or we**) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) National Energy Retail Amendment (Assisting hardship customers) Rule 2025, draft rule determination paper.

We are an Australian operated energy retailer, owned by Hydro Tasmania, Australia's largest generator of renewable energy. We pride ourselves on providing competitive pricing, innovation and excellent customer service to electricity consumers in Victoria, New South Wales, South Australia, Queensland, the ACT and the Bass Strait Islands. We also retail gas to Victorian customers.

**We support appropriate protections that increase support and improve outcomes for hardship customers.**

Momentum recognises that hardship customers face many barriers when engaging with the energy market, which may prevent them from getting the best available offer.

Momentum welcomes greater flexibility to support customers experiencing vulnerability. We are pleased to see changes in response to stakeholder feedback, particularly the decision to expand on the proposed crediting mechanism. Acknowledging the operational and technical difficulties with implementing this mechanism, Momentum supports the AEMC's intent to provide retailers with greater flexibility to assist customers in hardship. However, there remains some areas of concern regarding the amendments.

Our concerns are:

1. The draft rule proposes that retailers must reduce the prices of all customers on their hardship program to the deemed best offer. However, the amendments do not include clarity around what happens to that customer's price when they no longer require the support of the hardship program. Key questions are:

- a. Are they to be returned to the relevant prices that they were on before these protections came into play?
  - b. If they are returned to their original prices, what is the process for customers who receive a downward pricing adjustment?
  - c. If they're not, how do retailers account for those costs?
2. The draft rule serves to lessen the burden that customers on a retailer's hardship program experience when needing to engage with their retailer. However, by lessening these customers' responsibility to engage in ongoing communication with their retailer, retailers will have diminished opportunities to hear from these customers, tailor the support offered, and empower them with what they need to address their hardship.
3. The draft rule proposes significant regulatory changes without first trialling how these changes are likely to affect industry and consumers alike.
4. The draft determination allows for flexibility in how the retailer ensures that hardship customers pay no more than the deemed better offer. However, we anticipate that this flexibility may create greater confusion with an already complex energy bill, as the implementation process would vary from retailer to retailer, making it more difficult for customers to compare their offers with other retailers or the Energy Made Easy comparator website.
5. The draft rule has skewed in a different direction from the regulatory change currently being proposed by the Victorian regulatory framework. We are concerned that differing approaches across jurisdictions could lead to regulatory and operational inefficiencies and, ultimately, implementation costs and complexity for retailers, which could be passed onto all consumers.

We offer the following suggestions in relation to each of our concerns:

1. The downward pricing adjustment for hardship customers requires further consideration with an exemption in relation to *Preventing price increases for a fixed period under market retail contracts*<sup>1</sup>. We propose that once a customer exits a hardship program, if we are unable to contact them to obtain Explicit Informed Consent (EIC) in order to move them to the deemed better offer, we are permitted to return them to their previous tariff. To accommodate this, we would need to remove the restriction of one price increase each year.
2. Momentum is supportive of increased protections for hardship customers and the need to address individual situations with tailored solutions (particularly for those experiencing family violence). The rules should enhance the level of engagement required to help inform and empower customers to pay off their debts and maintain contact with their retailer so that they can maintain positive progress. When retailers and hardship customers are required to communicate, customers experiencing vulnerability get increased support, more

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<sup>1</sup> AEMC, [Improving consumer confidence in retail energy plans](#), Draft rule determination, 27 March 2025

information about energy offers, and are breaking the cycle of re-entering a hardship program. Through contact, the customer is engaged in reducing their debt and negotiating payment amounts that suit their circumstances.

3. These proposed new rules would benefit from the opportunity to implement a trial waiver in the regulatory sandbox before establishing regulations. This could enhance outcomes for consumers facing vulnerability with each proposed option of the automatic better offer to undergo proper trial testing.
4. The Australian Energy Regulator (AER) considers additional Tier 1 or Tier 2 information to reduce customer confusion as part of the AER's Retail Pricing Information Guideline and Better Bills Guideline reviews (expected to commence in late 2025).
5. Momentum notes that the Essential Services Commission (ESC) is currently exploring ways to ensure that Victorian customers experiencing financial hardship are on the best offer. This is part of their review of the Energy Retail Code of Practice (ERCoP). As part of this reform process, the ESC is considering an automatic switch to the best offer for customers who receive tailored assistance. While the AEMC has indicated that this automatic switch may not be a viable option for their current reform, aligning these two reform processes would be more beneficial and support consistency. An automatic switch to the best offer could address many of the issues associated with the proposed options and is likely to produce more positive outcomes for customers in hardship and ensure efficiencies for retailers.

Momentum appreciates the AEMC's ongoing responsiveness to stakeholder feedback and supports the policy intent behind the draft rule determinations, noting our proposed minor modifications for consideration in the final rule.

Momentum looks forward to discussing these matters with you. If you have any questions or would like to discuss them, please contact Daniel Oliver at [Daniel.oliver@momentum.com.au](mailto:Daniel.oliver@momentum.com.au).

Yours sincerely

[Signed]

**Daniel Oliver**

Strategic Delivery and Policy Lead