



meridian

Meridian Energy Australia Pty Ltd
Level 15, 357 Collins Street
Melbourne VIC 3000

10 October 2017

Lily Mitchell
Australian Energy Market Commission
PO Box A2449
Sydney South, New South Wales 1235

Reference number: RRC0010

Dear Lily

Notification of end of fixed benefit period

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group) thank the AEMC for the opportunity to provide comments in relation to the notification of the end of fixed benefit period rule change.

As you are aware, MEA Group is the owner and operator of the Mt Mercer and Mt Millar Wind Farms as well as Powershop Australia, an innovative retailer committed to providing lower prices for customers which recognizes the benefits for customers of a transition to a more renewable based and distributed energy system.

As a general principle, any change that improves the level of transparency and information in the retail market will be positive for customers. With that in mind, MEA Group supports both the rule change and its timely implementation.

Question	Response
1. Significance of Issue	
To what extent do you consider that lack of information regarding the end of a fixed benefit period has led, or will lead, to a negative effect on the overall competitiveness of the market?	<p>MEA Group supports the view of the proponent in this regard. The lack of information or lack of “useful” information at the end of fixed benefit periods could negatively impact the competitiveness of retail markets and erode customer faith.</p> <p>In addition, the current industry practice of communicating in percentages, rather than dollars, has the potential to confuse customers, and any efforts to address such confusion have got to be positive.</p>
2. Gas	
Should the proposed rule change apply to market retail energy contracts including gas, or only to market retail electricity contracts? Why?	The issue of lack of information, or “useful” information applies to both electricity and gas, and so MEA Group believes the proposed rule should apply to both.
3. Exemptions	

Question	Response
<p>a) Are the proposed exemptions clear, appropriate and workable?</p>	<p>It is not clear to MEA Group why non-financial benefits should be exempt. The danger with such an exemption is that a proliferation of non-financial benefit offers will occur in the market. This might be good for the cinema, steak knife and stubby holder industries, but is surely not good for consumers and Government confidence in the electricity industry. Unless there is a clear rationale for the exemption of non-financial benefits, MEA Group is of the view that non-financial benefits should not be exempt from the proposed notification requirements.</p> <p>The exemption from the proposed notification requirements for where the customer would be financially no-worse off than if the benefit period had not expired raises a number of issues as to how “no-worse off” is defined. Surely the customer, and not the retailer, is in the best position to define this? For the avoidance of any doubt, MEA Group is of the view that this exemption from the proposed notification requirements should not be included.</p>
<p>b) What potential improvements could be made? Why?</p>	<p>The AEMC should consider the benefit to customers of being reminded about services such as Energy Made Easy. Further, an obligation should be placed on the retailer to inform the customer of other (potentially) better offers the retailer has in the market. While a customer might be “no-worse off” compared to the offer they are on, they might be “much better off” on another of the retailer’s offers.</p> <p>The AEMC should consider:</p> <ul style="list-style-type: none"> • Removing the “no-worse off” exemption. • Ensuring a retailer, in the proposed notification to the customer, provides information on other offers that are currently available from that retailer at the customer’s location. These could include offers the retailer has generally available at that time. The purpose of this is not to point a customer to one particular offer, but simply inform the customer as to the offers that are available to them from that retailer.
<p>4. Commencement Date</p>	
<p>a) Would a 1 January 2018 commencement date result in materially higher costs than a later commencement date?</p>	<p>No</p>
<p>b) If so, what is the soonest practical date for commencement?</p>	<p>Refer to response to question 4a) above.</p>
<p>c) Should commencement be staged? For example, if full implementation on 1 January 2018 is not practical should retailers still be required to send out a standard notice with basic information from that date?</p>	<p>Refer to response to question 4a) above.</p>

Yours sincerely

A handwritten signature in black ink, appearing to read "Ed McManus". The signature is fluid and cursive, with a prominent initial "E" and "M".

Ed McManus
Chief Executive Officer
Meridian Energy Australia Pty Ltd