

STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

SUBMITTER DETAILS

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CHAPTER 3 – THE CURRENT SITUATION

QUESTION 1 – Understanding energy bills

<p>1. Do you agree with the statement of issues by the proponent, that bills are no longer fit-for-purpose because there are gaps in content, the information is too dense, and the language is too complex? Please explain your view.</p>	<p>We agree that current bills are not fit for purpose.</p> <p>Powerpal is a manufacturer and distributor of home energy monitors to residential energy consumers in Australia. Our professional installation team undertakes hundreds of installations of our product for residential households each day. As part of the installation process our team of trained installers must read the tariff from the customer's bill and program it into our energy monitoring app so that energy costs are correctly reported to the customer.</p> <p>Even with a team of professionally trained installers who each review up to 20 consumer bills per day we still face difficulties in interpreting tariff information presented on bills. In particular there is a lack of consistency as to how pricing structures and conditional discounts are presented between suppliers which makes it challenging to accurately read tariff information from bills.</p>
<p>2. If you consider there are issues with billing, do the NERR billing provisions cause or contribute to these issues? Please explain your view with reference to the specific requirements listed in Table 3.1.</p>	<p>The NERR billing provisions require that useful information for consumers is contained on the bill.</p> <p>However, the intrinsically complex nature of the energy market means that different retailers present this information in different ways based on the nature of their market offer. It is our view that this intrinsic complexity presents the biggest</p>

	challenge to assisting consumers in engaging with the market, rather than the format in which this information is presented.
3. What other factors also contribute to the billing issues you have identified (e.g. lack of educational tools or campaigns)?	<p>Outside of simply knowing the amount they need to pay (which is always well presented!) the main use of the bill for customers is to record their amount of consumption and the associated tariff. The breakdown of consumption and charges on bills use complex terms such as kWh, controlled load and peak/offpeak/shoulder along with a collection of seemingly random billing periods which can be hard for even trained professionals to interpret.</p> <p>Compounding this there is no simple way for consumers to pass this information to a third party (such as a comparison site) other than by attempting to interpret the bill themselves to identify the necessary bill fields.</p>

QUESTION 2 – Receiving energy bills

1. Do you agree there is a need to specify requirements for retailers on how they issue and deliver bills? Please explain your view.	Our experience is that consumers are generally able to access their bill when required, be that in digital or paper form.
2. Do you have a view on how best to give effect to the principle of consumer choice driving billing issuance and delivery? Please explain your view.	Retailers already offer a choice in bill issuance – we see no current issue with consumer choice in this regard.

QUESTION 3 – Materiality of the issues

1. Which, if any, parts of a bill are confusing to customers, and how does any confusion affect a customer's ability to engage with the market to better manage their energy?	As discussed above the ability to read consumption and tariff information from bills is challenging, even for trained professionals. This is without doubt a barrier to consumers engaging with the market to better manage their energy, especially for bill comparison services.
2. How do current billing arrangement meet or not meet customer requirements? Please specify whether your comments relate to all customers or specific segments of customers.	Without the ability to accurately read tariff information from bills it is difficult for consumers to pass this information to 3 rd parties – for example to facilitate comparison services to check if they are on the best deal for their consumption.
3. Do you have suggested improvements to billing arrangements that address any issues you consider are material? Please explain how your proposed solutions are compatible with the trend towards increasing digitalisation, the move to a two-sided market, and the	<p>It is unlikely that changes to bill formats alone will resolve the readability issue – the energy market is intrinsically complex (and becoming more so with the introduction of ToU and demand tariffs).</p> <p>Instead we would strongly recommend mandating the addition of an element to bills that allows them to be machine readable, as has been implemented in the UK:</p>

introduction of the Consumer Data Right in energy.	<p>https://www.gov.uk/government/news/qrcode-on-energy-bills-put-consumers-in-control</p> <p>Such a measure would strongly complement the CDR by allowing consumers a frictionless way to provide their bill data to 3rd parties.</p>
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SECTION 5 – RELATED PROJECTS AND RESEARCH

QUESTION 4 – Related projects and research

1. Are there other research findings or projects the Commission should consider in making its determination; what are the most relevant research conclusions and project linkages?	<p>We would again highlight the success of machine readable bills in the UK which have now been widely adopted by comparison services:</p> <p>https://www.uswitch.com/gas-electricity/guides/energy-bills-qr-codes/</p> <p>https://www.bbc.com/news/business-26509405</p>
2. What key lessons should the Commission take from good practice regulatory frameworks for bills in comparable Australian sectors, or energy retail markets overseas?	Please see above.

CHAPTER 4 – SOLUTIONS

QUESTION 5 – Proposed solution

1. To what extent would the proposed solution address the identified problems and their causes, and promote the NERO?	As discussed above we consider that the energy market is intrinsically complex and therefore even with a principals based guideline in place the intended consumer outcome (enabling consumers to better engage with the market) is unlikely to be achieved.
2. Do you consider the proponent's solution could be modified to be more effective? Please explain your view. Please explain the benefits, costs, risks and implementation issues associated with the proponent's solution.	<p>Instead we would encourage the commission to mandate that bills be machine readable, removing the need for consumers to interpret their bill at all in order to be able to access services that assist them in market engagement.</p> <p>We would highlight the UK's proven QR code solution as an approach that we believe would work well for the Australian market.</p>

ALTERNATIVE SOLUTIONS

QUESTION 6 – Rules-based approach

1. Are there rules-based solutions that the Commission should consider (e.g. filling	Yes, rule 25 could be updated to mandate the inclusion of a machine readable QR code containing the other mandatory bill elements (a – x).
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<p>gaps in rules 25 and 170 of the NERR, a principles-based bill format provision, or using opt-out provisions for information pertaining to certain bill functions)? Please explain (i.e. benefits, costs and risks).</p>	<p>This solution is likely to be significantly lower cost than creating a guideline and requiring all retailers to update their billing systems to follow it, and is also much more likely to achieve the intended consumer outcome of allowing customers to use their bill to better engage with the market.</p>
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QUESTION 7 – Non-rules-based approach

<p>1. Are there non-rules based approaches — such as an industry code, a non-binding guideline or other industry initiatives — that the Commission should consider to address the issues raised by the proponent and their causes? Please explain (i.e. benefits, costs and risks).</p>	<p>It should be noted that in the UK there was no voluntary move to provide machine readable bills by retailers despite a feasibility study showing clear customer engagement benefits.</p> <p>It is therefore likely that a rules-based approach to implementation would be required.</p>
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QUESTION 8 – Hybrid approach

<p>1. Are there hybrid approaches — a suite of rules and non-rules approaches — that the Commission should consider to address the issues raised by the proponent and their causes? Please explain (i.e. benefits, costs, risks, and balance between principles-based and prescription and rules/non-rules)?</p>	<p>See above.</p>
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CHAPTER 5 – ASSESSMENT FRAMEWORK

QUESTION 9 – Assessment framework

<p>1. Is the proposed assessment framework appropriate for considering the rule change request? Are there other considerations that should be included?</p>	<p>The assessment framework is appropriate.</p> <p>We would strongly encourage the Commission to consider provisions to make existing bills machine readable as an alternative to the proposed production of a mandatory guideline, noting that:</p> <ul style="list-style-type: none"> - The energy market is inherently complex and there will remain issues around transparency while consumers are required to manually read bills and input data into 3rd party systems (such as comparison sites) to engage with the market, regardless of how information is presented
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Stakeholder feedback

Bill contents – customers with interval meters
31 January 2019

- The provision of machine readable bills has shown strong benefits to customer engagement in the UK market
- Making existing bills machine readable would offer greater customer benefit with a vastly lower regulatory and administrative burden than development of a mandatory guideline.

Please review this video for how this works in practice:

https://youtu.be/SgOEdfns4_E