



Bill contents and billing requirements

Stakeholder submissions invited on new rule change request

The Australian Energy Market Commission (AEMC) has commenced consultation on a rule change request from the Hon Angus Taylor MP, Minister for Energy and Emissions Reduction, aimed at simplifying energy bills so households and small business owners can better understand their bills and get a better deal.

Background

Under the National Energy Retail Rules (NERR), retailers must include 26 content requirements in small customers' energy bills. Rules 25 and 170 specify these requirements and the information an energy bill must contain.

These requirements are related to information that householders and small businesses may need to:

- pay their bill (e.g. information on how much is due, by when).
- understand their energy usage (e.g. recent and comparative usage information in a bill helps a small customer better understand the plan they are on, trends in their usage, other suitable plans in the market and/or whether to invest in solar or battery systems, and gives them a reference to an energy efficiency website)
- undertake administrative tasks (e.g. information in the bill helps a small customer identify themselves to energy providers and can be used for other identification and verification purposes)
- seek help (e.g. information on how to make a complaint, report a fault or get an interpreter)
- understand how the bill was calculated and check it complies with their plan/offer (e.g. information on tariff components, credits and the period of the bill).

These bill content requirements have not been reviewed since the introduction of the National Energy Retail Rules.

Rule change request

The rule change proposal seeks to simplify energy bills, so households and small business owners can better understand and manage their bills, and find a better energy deal. It covers both gas and electricity bills.

The Minister proposes rule 25 in the NERR be replaced. The key concerns are that the rule:

- does not provide standard nomenclature and consistent bill formats, leading to consumer confusion
- results in bills with too much complex data, causing information overload
- does not help educate consumers about support tools (e.g. Energy Made Easy)
- does not stipulate how bills are to be delivered to customers (consumers should always have access to a paper bill if that is their preference).

The key components of the rule change proposal are:

- Replacing rule 25 of the NERR with provisions requiring the AER to develop a mandatory guideline that would apply to gas and electricity retailers for households and small businesses' bills.
- Provisions in the NERR for:
 - an objective and supporting principles for the guideline, to which the AER must have

regard

- aspects of bills on which the guideline could specify requirements, such as the manner of the delivery of a bill, and requirements that could vary by factors such as customer type, energy type, or jurisdictional application.
- the AER to publish a sample bill or an explanation of key terms.
- The new rule provisions would be subject to a civil penalty if a retailer fails to comply.
- The AER could amend the guideline from time to time in accordance with the retail consultation procedure.

Consultation process

The Commission is now seeking feedback on whether stakeholders:

- agree with issues identified by the proponent and their materiality. That is, that rule 25 of the NERR is not delivering energy bills that householders and small business owners can understand, and the need for greater stipulation on how bills are delivered.
- support the proposed solution or alternative solutions, and why.

Additionally, there are major changes underway in the energy sector relevant to consumer bills. A two-way energy flow (as consumers generate or consume energy at different times) means consumers will need information to understand their generation in addition to consumption. Digitalisation offers opportunities for more data-rich and convenient forms of communication with consumers.

Feedback is therefore requested on the issues identified by the proponent with energy bills and how their materiality will evolve over time given digitalisation, key post-2025 reforms (two-sided market design) and the introduction of a Consumer Data Right (CDR) in energy.

The consultation paper and the rule change request are available on the AEMC's website.

Submissions on the rule change request are due by 22 October 2020.

For information contact:

Adviser, **Stephanie Flechas** (02) 8296 0640

Director, **Jackie Biro** (02) 8296 0606

Media: Media and Content Manager, Kellie Bisset 0438 490 041

24 September 2020