

# ACCURASSI

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## CHAPTER 3 – THE CURRENT SITUATION

### QUESTION 1 – Understanding energy bills

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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.

Yes, Accurassi broadly agrees with the statement of issues.

There is a big disconnect for a consumer from the energy bill to how the consumer uses energy. The energy retailer through the bill and other mediums (digital) should be incentivised to help the consumer manage their energy costs. However the retailer is incentivised to sell more kilowatt hours and obfuscate the consumer so they continue to use more (and pay more) than they could with guidance.

The current billing format in use by a majority of energy retailers can run to multiple pages with multiple periods, these periods can have rate variations, and when combined with different plan types such as; time of use, single rate with controlled load, solar feed-in, are very complex to understand. It's too hard for a consumer to make sense of all these line items, the number of items should be reduced where possible.

This information should be demonstrated graphically and ideally a link or QR code for digital devices to allow some better understanding of how their solar is performing or how they can move loads to other times of the day to reduce costs.

There is also variation in nomenclature used between retailers. We suggest these terms should be standardised.

Data from our broad range of clients indicates that consumers are confused with many terms of tariff and usage. For example, we have seen increased disengagement in process flows when consumers are required to input usage data, in contrast to an automated extraction process.

The statement of issues is demonstrated by our experience with NSW Government when looking to provide a manual entry service for paper bills.

When we developed the Energy Switch service with NSW Government there was the intention to provide a facility to manually enter data if a digital bill was not available. The results were disastrous when left to consumers as they could

	<p>not consistently interpret the bill data. We even tried training service staff to perform this function on behalf of consumers, but the amount of variations and inconsistencies meant this was not a viable solution so the manual entry option was rejected.</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>3. What other factors also contribute to the billing issues you have identified (e.g. lack of educational tools or campaigns)?</p>	<p>Although attempts have been made at educating consumers, Accurassi believes that not only the complexity of the bills, but also the complexity of the products, the variation in household composition, energy usage patterns, and housing infrastructure, makes it difficult for a household to understand what their energy benchmark is. For example, DMO / VDO reference price doesn't easily take into account household size.</p> <p>Static data in the bill format does not provide any insights into household usage. The existing energy usage benchmarks are pretty useless and should relate to the house type – the information is there (i.e. the address) to provide better and more reliable benchmarking.</p> <p>We also believe, the availability of more detailed data (for those with smart meters) should be used more effectively for educational purposes. For example demonstrating their typical daily load pattern for weekdays and comparing this to similar households. This could then be linked to a service like AGL's <a href="https://www.agl.com.au/help/agl-online-services/energy-insights">https://www.agl.com.au/help/agl-online-services/energy-insights</a> to help consumers shift or reduce loads.</p> <p>We also believe, all bills should be issued monthly (for the month) – this would eradicate the need for multiple periods and would reduce bill shock experiences, giving the consumer more time to remediate their energy usage.</p>

## QUESTION 2 – Receiving energy bills

<p>1. Do you agree there is a need to specify requirements for retailers on how they issue and deliver bills? Please explain your view.</p>	<p>Accurassi believes energy bills should have the option to be provided in both Electronic (PDF), API, and paper bill format.</p> <p>Many retailers have customer portals that are difficult to navigate and do not readily provide access to a bill in a readable format.</p>
<p>2. Do you have a view on how best to give effect to the principle of consumer choice driving billing issuance and</p>	

delivery? Please explain your view.	
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### 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?	<p>In our experience with interviewing consumers we found the whole bill is generally confusing to most customers. This is compounded for a small percentage of bills which can take one of our very experienced analysts to make sense of the bill contents.</p> <p>If an expert cannot make sense of a bill then there is a big problem.</p>
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.	
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 introduction of the Consumer Data Right in energy.	<p>Bills should be issued monthly.</p> <p>There should be standardised layouts (as done in the UK) and standardised terminology for line items. There should be no more than one page.</p> <p>There should be more helpful and personalised benchmarks (taking into account the house type, swimming pool etc)</p> <p>There should be no more than 3-4 line items on a bill.</p> <p>Discounting should be standardised with pay on time discount methods outlawed (as in New Zealand)</p> <p>There should be more relatable graphical information and helpful hints on a second page to help consumers better manage their energy usage.</p> <p>This exercise should prepare the retailers for CDR phase 2 with the retailers making the bill data available in standardised API's in preparation for CDR. Accurassi is happy to help provide expertise to achieve this.</p>

## SECTION 5 – RELATED PROJECTS AND RESEARCH

### QUESTION 4 – Related projects and research

1. Are there other research findings or projects the Commission should consider	
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in making its determination; what are the most relevant research conclusions and project linkages?	
2. What key lessons should the Commission take from good practice regulatory frameworks for bills in comparable Australian sectors, or energy retail markets overseas?	

## 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?	
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.	

## ALTERNATIVE SOLUTIONS

### QUESTION 6 – Rules-based approach

1. Are there rules-based solutions that the Commission should consider (e.g. filling 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).	
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### QUESTION 7 – Non-rules-based approach

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	<p>Accurassi has developed a series of technical solutions to assist consumers in making informed choices in energy.</p> <p>Accurassi currently digitises existing PDF formats from all retailers. This data is converted (to a granular level) into a common format that can be used to produce the bill data into another format. We believe that until CDR for energy is</p>
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<p>causes? Please explain (i.e. benefits, costs and risks).</p>	<p>established the current bill format can be used as a source of truth.</p> <p>For example, a consumer may have access to a portal that uses data visualisation to inform the consumer that daytime usage is above average for their household size. Or answer a series of questions on household composition, building fabric, and appliances used, to fully understand usage patterns and efficiency opportunities.</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>	
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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>	
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