



26 October 2020

Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Submitted online.

Bill contents and billing requirements – Consultation paper

Alinta Energy welcomes the opportunity to respond to the AEMC's National Energy Retail Amendment (Bill Contents and Billing Requirements) Rule Consultation Paper.

As an active investor in energy markets across Australia with an owned and contracted generation portfolio of nearly 3,000MW and more than 1.1 million electricity and gas customers, we have a strong interest in ensuring that our customer bills are clear, simple, and fit for purpose.

Energy retailers are currently required to comply with 24 information disclosure requirements on a customer bill under rule 25 of the National Energy Retail Rules (NERR). These requirements have increased with no material consideration of the customer impact of increasing the amount of information on the bill. To that end, Alinta Energy recognises the importance of the consultation paper in considering whether or not customer bills are fit-for-purpose. However, whilst we agree that improvements could be made to simplify the information provided to customers, we do not consider the proposed solution to be appropriate.

In particular, the proposed solution would enable the AER to develop a mandatory guideline requiring retailers to meet a minimum required form, content and delivery of energy bills. Although the mandatory guideline's objective would be "to improve the experience of small customers", Alinta Energy is concerned that the AER would be able to amend the mandatory guideline at its discretion, and outside a formal AEMC rule change process. We are also concerned that it would lead to more frequent changes to customer bills, imposing additional costs on retailers that would ultimately be borne by customers.

Alinta Energy views the most appropriate mechanism to make informed and measured regulatory changes of this nature is through the formal AEMC rule change process. Consequently we recommend that the AEMC undertakes a formal consultation to determine whether the customer bills are fit-for-purpose, and, if required, propose potential regulatory reforms through a rule change process.

The content of the bill should focus primarily on its objective

The consultation paper puts forward the view that customer bills currently contain unnecessary content, leading to information-dense and complex messaging to the customer. Alinta Energy agrees with this sentiment and urges the AEMC to focus on which provisions of rule 25 should be retained to meet the bill's purpose. In our view, the primary objective of the energy bill is for the customer to understand their energy usage, how their usage patterns affect their

energy costs, the total amount owing, the due date for payment, and how to make a payment. This information is consistent with what appears on a typical tax invoice in any industry and should be the focus of energy bill content requirements, to ensure customers can easily understand this key information. We also consider that information on how customers can access financial assistance should continue to be provided.

However, several provisions under rule 25 of the NERR provide granular detail relating to customer billing information which are not necessary to meet the key objectives of the bill. Alinta recommends that the AEMC considers allowing retailers to provide this additional information either in digital form or upon customer request through other forms of communication. This would recognise that not all customers are digitally engaged and enable such customers to access the information via their preferred contact method.

Also of concern to Alinta Energy is the suggestion to require the inclusion of additional information on customer bills. In particular, the rule-proponent states that it would be beneficial for customers to have information referencing Energy Made Easy (EME) and the tools available on the EME website. This is an example of where information is more appropriately provided in a different form at a different time. Retailers already provide similar information regarding EME prior to the forming of a customer contract and the expiry of a benefit period.

The form of customer bills

In addition to determining the content of customer bills, the mandatory guideline proposes regulating the form of customer bills (i.e. where items should be placed on a bill). This would place significant restrictions on how retailers communicate and market the features and incentives associated with their products and may lead to the unintended consequence of customers not understanding how their product features impact their energy costs. Alinta Energy is also concerned that consideration has not been given as to how regulating bill forms will impact innovation and customer engagement.

Alinta Energy acknowledges the importance of categorising some components of a customer's bill as prominent but we urge the AEMC to also avoid any prescription on where items are placed on the bill to allow retailers to effectively communicate how products interact, and ultimately impact, their customers energy costs.

Alinta Energy has not seen any material evidence in the consultation paper (or otherwise) to suggest that prescribing their form would lead to clearer and more understandable customer bills. Given the diversity across the features and incentives of retailer products, we urge the AEMC to consider these unintended consequences when evaluating the need for any mandatory guideline.

The delivery of customer bills

Alinta Energy is committed to engaging customers via their preferred contact methods. Although we increasingly utilise emerging digital technologies for digitally engaged customers, we also have a significant proportion of customers who prefer paper-based engagement, including, but not limited to, their bill.

Alinta Energy would welcome a collaborative discussion regarding customers who prefer paper-based customer bills.

The cost and timing associated with bill content and form changes

Alinta Energy cannot understate the complexity and financial costs associated with making changes to both the content and form of customer bills, nor the time required for implementation. Any changes to the bill will have a significant impact on our overall IT billing platform, resourcing and costs.

The consultation paper does not outline any consultation or implementation timeframes associated with changes that would arise from a mandatory guideline. We again restate our view that the introduction of a mandatory guideline would increase the frequency of potential changes to customer bills and would ultimately lead to an increase in customer costs.

Alternative solutions

We recommend that the AEMC considers either a non-regulatory outcome, as suggested in the consultation paper, or a formal AEMC consultation that would consider long-term changes for customers' bills.

Alinta Energy would encourage further discussion with the Commission on any of the matters raised in this response. Please contact Ante Klisanin Regulatory Manager on (03) 8533 7344 or via email: ante.klisanin@alintaenergy.com.au in the first instance.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shaun Ruddy', written in a cursive style.

Shaun Ruddy

Manager National Retail Regulation