

21 October 2020

Stephanie Flechas
Project Lead
Australian Energy Market Commission
REF: RRC0036

Dear Ms. Flechas

National Energy Retail Amendment (Bill Contents and Billing Requirements) Rule change proposal

Aurora Energy welcomes the opportunity to provide comment on the National Energy Retail Amendment (Bill Contents and Billing Requirements) rule change proposal initiated by the AEMC.

Aurora Energy supports a review of the current regulatory framework governing the delivery of energy bills, including rule 25 in the National Energy Retail Rules ('NERR'), in light of higher penetration of advanced meters and digitisation across the energy market. However, as noted in the AEMC Consultation Paper, there are a number of upcoming regulatory developments which are relevant to the issues under consideration in this rule change proposal and will likely materially alter the way customers engage with retailers and the energy market more broadly.

Most notably, the Consumer Data Right and proposed two-sided market reforms will result in information being exchanged very differently between participants, and in some cases will result in energy bills becoming less important as a customer protection and information tool. In fact, through the development and implementation of its new digital product, aurora+, Aurora Energy already has firsthand practical experience of customers choosing to move away from receiving 'traditional' energy bills.

It is essential that any amendments to the NERR and regulatory framework as a result of this process promote flexibility and are able to accommodate future market developments and changes in customer behaviour. Aurora Energy supports the principle that any proposed solution must strike the appropriate balance between protecting vulnerable customers, while allowing retailers to innovate and continue to improve the customer experience.

The AEMC has invited comment on the following matters:

UNDERSTANDING ENERGY BILLS & MATERIALITY OF THE ISSUES

Aurora Energy agrees that, for certain customer segments, the issuing of energy bills in line with current NERR requirements is no longer fit for purpose. However, Aurora Energy has observed that the most significant driver of this is not necessarily the complexity of information and language contained in bills, but rather the emergence of interval meter data, digital products and other energy tools which are available for customers (for example, Aurora Energy's online Energy Calculator, which helps customers understand high consumption areas in their home and opportunities to save money).

Each customer segment has their own individual needs. Retailers are often best placed to understand these needs, particularly where there are unique jurisdictional factors and regimes at play. Aurora Energy continues to comply with billing obligations in the NERR and, for a number of customers, there are few issues raised with the format or information contained in a bill. This is particularly the case for customers with type 6 meters where the energy consumption and amount owing in a bill is in line with the customer's expectations.

However, it is also clear that for certain customers the type of information required to be included in a bill, and in some cases the bill in general, is no longer necessary. For example, the requirement in NERR 25(l) to include average daily consumption during the same billing period in the previous year provides little context to customers, particularly when past bills may have been based on an estimation.

For customers with an advanced meter, particularly those on the aurora+ digital product with near real time visibility of consumption, Aurora Energy has found that NERR 25(l) provides little benefit, and may actually result in customer confusion. The information required to be included on an advanced meter bill is generally the same as for a basic meter, however the customer does not have the tangible real world application of the information presented. Advanced meters can provide a customer with significantly more insight to their energy consumption habits, however the current requirements in NERR 25 do not promote any greater level of insight. Further, customers now have access to online tools and resources (such as the abovementioned Energy Calculator) and can get a much more accurate picture of their current consumption and costs by inputting up to date household specific information, including number of residents, appliances, times of usage and so on.

Another example is NERR 25(m) which requires the next planned meter read date to be included on a bill, where applicable. While this may be useful for a small segment of customers with type 6 meters to help plan for access to their premises, anecdotal feedback suggests customers on standard retail contracts more commonly use this information to plan for the receipt of their next bill.

Aurora Energy does not support mandating the inclusion of further information on a bill, particularly contact details for the relevant Energy Ombudsman. While the Ombudsman provides a very important customer protection and complaints management function, the retailer is often best placed to resolve a customer's complaint in an expedient and effective manner. The retailer should always be the first point of contact for a complaint, to not only provide the best customer experience but also to avoid unnecessary cost and delay of engaging the Ombudsman for routine matters. It is noted that the Ombudsman's details are also well publicised via other channels, including government and industry websites.

RECEIVING ENERGY BILLS

Aurora Energy considers that customers are best positioned to specify how and when they receive an energy bill. While there will always be a need to ensure non digital customers can get access to the same billing information as a customer on a digital product, this can be achieved without further prescription in the NERR. It may be useful to consider an opt in/out approach to ensure all customer and meter types needs are addressed.

A fantastic example of customers driving product innovation and changes in billing is Aurora Energy's digital aurora+ product, which is used by more than 20,000 customers and is continuing to grow. aurora+ allows customers to take control of their energy consumption and generation information in near real-time. Customers can easily compare their usage daily, weekly, monthly, quarterly or yearly. Key insights and tips such as increases/decreases in energy usage, current time period (peak or off-peak), account balance and payment ability are all provided to the customer inside the digital app. Importantly, customers don't necessarily need to own a smartphone or tablet as they can still access the product through a web portal.

Through the app or web portal, aurora+ customers can choose to view their billing information as and when they need. Because of this, many customers using the product have expressed confusion and frustration that they continue to receive a bill via email or post, which is required to be sent by Aurora Energy in order to comply with the current NERR requirements. The provision of bills in this context not only leads to a worse customer experience, but it also results in retailers incurring administrative costs which is ultimately borne by customers. If customer preferences can be easily set on their preferred bill delivery channel, then the customer's preference should be the way a bill is delivered.

Interestingly, aurora+ is also being positively received by Aurora Energy's more vulnerable customers, including those on our Your Energy Support (YES) program. Based on feedback from this customer segment, enhancements have recently been made to the product which allows customers to request payment plans and extensions via the app. This provides a more tailored and friendly aurora+ customer experience while allowing Aurora Energy to focus its resources on supporting customers in other areas.

Notwithstanding the above, for basic meter customers who cannot or do not wish to use digital channels for receiving their bill, Aurora Energy supports an essential base service offering to ensure customers are able to access bills in their preferred format, such as paper bills, without additional cost.

RELATED PROJECTS AND RESEARCH

Aurora Energy is currently undertaking Bill Shock User Experience research with different segments of its customer base to help inform future product enhancement and development, including the way information is ordered on a bill. Once finalised, Aurora Energy is willing to share any relevant insights with the AEMC relating to the billing preferences of Tasmanian customers.

Aurora Energy would also support further research, whether by the AEMC or other relevant industry bodies, to better understand what information both digitally and non-digitally engaged customers would value and find useful in their energy bill.

PROPOSED SOLUTION

Aurora Energy supports a hybrid approach to bill presentment and delivery. Given the ongoing market disruption caused by digitisation and the upcoming Consumer Data Right, a prescriptive rules-based approach is likely to be inflexible, and limit the ability of retailers to innovate and respond to customer preferences.

It is important to note that an overly prescriptive approach, including any requirement to standardise bills across the industry, would result in significant cost to retailers and subsequently customers. Retailers use different billing platforms and uniformity it would be very difficult to achieve without significant investment of time and resources. These implementation costs are very difficult to justify, particularly in Tasmania, given digitisation, other market developments and the number of customers who are moving away from receiving traditional bills all together. There is also no guarantee that making such a change would result in customers becoming more engaged with their bill or the energy market more broadly.

An appropriate balance could be achieved by including key billing principles and baseline customer protections in the NERR, while removing a number of the current obligations on retailers to help make bills less complex and fit for purpose for different customer segments.

While industry codes and guidelines can be appropriate in certain circumstances, in the case of billing Aurora Energy supports a more inclusive, industry wide and principles based approach. As suggested in the AEMC Consultation Paper, voluntary industry initiatives are already in place to support this, including the Energy Charter of which Aurora Energy is a signatory. Additional easy to digest and customer friendly resources can also be developed to supplement the principles, in addition to existing mechanisms like Energy Made Easy, industry factsheets and other online tools.

If you have any questions regarding this submission, please contact Alistair Burke at alistair.burke@auroraenergy.com.au

Yours sincerely



Oliver Cousland
Company Secretary / General Counsel