

27 October 2020

Mr. John Pierce  
Chairman  
Australian Energy Market Commission  
Level 6, 201 Elizabeth Street,  
Sydney NSW 2000.  
201 Elizabeth Street Sydney NSW, 2000

**AEMC, Bill contents and billing requirements, Consultation paper**

**Submitted online:** [www.aemc.gov.au/contact-us/lodge-submission](http://www.aemc.gov.au/contact-us/lodge-submission). **Your reference –** rrc0036

Dear Mr. Pierce

Thank you for the opportunity to provide a submission in response to the Australian Energy Market Commission's (AEMC) consultation on the proposed Bill contents and billing requirements amendment.

Next Business Energy Pty Ltd (NBE) is a 100% Australian owned and operated electricity retailer. NBE is focussed on providing competitively priced electricity to businesses in Victoria, New South Wales, South Australia, Queensland, and the Australian Capital Territory.

NBE does not consider that the proposed change is necessary, nor that a significant failure in the market requiring the proposed changes, has been demonstrated. The rule is suggesting the development of another regulated guideline for the AER to administer, and for retailers to comply with. The proponent is even suggesting that billing systems will need to be changed. These changes will be costly to implement and are not likely to provide much in the way of additional efficiency to the retail market and will increase retailer costs.

NBE does not consider that the proponent of this proposed change has even considered all the other information provided to customers across their life cycle with a retailer (such as contract documents, price change notices etc) or the availability of this information from other sources such as Energy Made Easy.

NBE considers that the AEMC should instead consider reviewing the current bill requirements, the other regulated communications requirements required of retailers, and consider making minor amendments, where justified, to facilitate better information flow to customers as suggested by the proponent. For example, extended use of energy made easy to provide bill benchmarking and review of the information provided in price change notifications would meet several the proponent's requirements.

[www.nextbusinessenergy.com.au](http://www.nextbusinessenergy.com.au)

Please find attached our completed comments table.

Should you require any further information regarding this submission, please do not hesitate to contact Andrew Mair Manger Regulation and Compliance on 0419 388 283 or via email at [andrew@nextbusinessenergy.com.au](mailto:andrew@nextbusinessenergy.com.au)

Your sincerely



David Hayes  
Chief Executive Officer

## 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

**ORGANISATION:** Next Business Energy Pty Ltd

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### CHAPTER 3 – THE CURRENT SITUATION

#### QUESTION 1 – Understanding energy bills

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.

Next Business Energy (NBE) does not agree with the assertion that the current format of the bills is not fit for purpose.

The regulated content requirements are significant, and retailers spend considerable effort on making their bills easier to navigate within regulatory, system and cost constraints.

Bills serve the joint purposes of advising consumers of the costs they have incurred using electricity, how those costs were calculated, how to pay these costs and when. The bill also provides important information on how to contact the retailer and distributor if required, and the information required to change retailers, or get more information from the retailer, or appropriate government website.

NBE also believes that information provided to customer through their life cycle (pre-contract and contract information, customer charters, bill change notices etc) and information available via retailer websites and government websites such as Energy Made Easy must be viewed in addition to the information provided in the bill.

All retailers have access to customers network tariffs and other standing information via AEMO's MSATS system this is the primary retailer driver for quoting and transferring a customer. Therefore, the addition of additional information to assist in transfer is not needed on the customer's bill, and is probably not the best medium to provide this information.

	<p>The language used in bills reflects industry and regulatory requirements. NBE also believes that electricity and gas bills follow similar formats to those issued by Telcos, Water companies and other similar service providers</p> <p>NBE also believes that the implementation of Power of Choice and subsequent Distributor adoption of complex demand and time of use tariffs have contributed to the complexity of customer bills. These changes are still evolving, and regulation how this information is displayed will likely stifle innovation in energy products and tariffs.</p> <p>The implementation of DER and Two-Sided Market reforms will also provide for more changes to customers bills and information delivery.</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 current NERR provisions provide flexibility on the content and placement of information.</p> <p>NBE however believes that the mandated bill benchmarking information (170(1)(a) 170(2)) is information is rarely used by customers, does not serve a significant purpose to individual customers. These graphs also take up significant bill “real estate” that could be used for other purposes.</p> <p>NBE considers that the specific information about use and comparing use to previous use is information that customers do regularly use.</p> <p>NBE believes that consistent positioning of NMI information would assist customers engaging with new retailers.</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>Other factors that NBE believes contribute to bill issues are:</p> <ul style="list-style-type: none"> <li>• Regulated items that are required to be placed on the front of bills.</li> <li>• Small retailer costs associated with multiple bill formats</li> <li>• Maintaining consistency across jurisdictions (which reduces costs and complexity issues)</li> </ul>

## 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>NBE does not agree there is any need to specify how retailers’ issue and deliver bills to customers (other than to provide access to a posted bill option for residential customers). This level of regulatory prescription does not allow retailers to innovate or move with customer trends, embrace technological changes, or implement cost saving processes.</p> <p>Changes in technology, and the implementation of the Consumer Data Rights will provide retailers and customers with many ways in which customers can access or be provided with billing information.</p> <p>NBE believe that Retailers should also be able to recoup costs associated with providing printed and posted bills, as these costs are increasing significantly as postal costs (and postal delays) increase, and as printed volumes decrease.</p> <p>If Jurisdictions and Regulators require retailers to provide printed bill options (at no cost), then these costs should be included in the DMO and VDO retails costs stacks.</p>
<p>2. Do you have a view on how best to give effect to the principle of consumer choice</p>	<p>NBE believes that customers inherent ability to choose their retailer, and its product offerings, including choice of bill issuance and bill delivery gives effect to consumer choice.</p>

<p>driving billing issuance and delivery? Please explain your view.</p>	<p>Retailers should retain the choice of how and when they issue their bills for market contracts, and the current requirement for standard and default contract maximum bill issuance should be retained, or perhaps increased to 120 days.</p> <p>NBE also believes that information provided to customer through their life cycle (pre-contract and contract information, customer charters, bill change notices etc) and information available via retailer websites and government websites such as Energy Made Easy already give effect to the proponents additional information.</p> <p>NBE considers that current requirements for issuance and delivery are suitable. NBE does not believe that there is any demonstrated customer disadvantage associated with the current arrangements to justify change.</p>
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### QUESTION 3 – Materiality of the issues

<p>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>	<p>NBE considers that the bill benchmarking information does not provide customer with any demonstrated benefit and should be removed from bills. This information is better accessed via the Energy Made Easy portal on an as needs basis.</p> <p>NBE believes that Information about Meters, Metering, and meter readings are inherently complex, but are required to be provided to customers so they can understand how their bill has been calculated, and where they are using their electricity. Smart Metering information, especially where there are multiple register and times of use tariffs only increase bill information complexity.</p> <p>NBE considers that bill complexity is an outcome of energy market reform, and unless regulators wish to depart from their intended reforms, bill information is only going to grow in complexity.</p> <p>NBE does not believe that further regulatory intervention in bill design, nomenclature, issuance, and delivery will help retailers address these changes in a timely and cost-effective manner.</p> <p>NBE believes that the best approach would be a light handed and objective based approach to bill information and bill issuance, in conjunction with a review of the other information provided to customers via other communications required (and regulated) through out the customer life cycle.</p> <p>Retailers must retain option of determining their bill issuance frequency as this is an important part of managing customer credit issues, systems costs and operational costs, and cashflow management (ie wholesale bill and network issuance and remittance are factors that impact retail bill issuance).</p>
<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.</p>	<p>NBE considers that the current arrangements largely meet customer requirements as Retailers have flexibility in how and when they provide customer billing information and are able to meet most customer requirements. Where retailers meet those needs, customers will exercise their right to find a retailer that can meet their requirements.</p>
<p>3. Do you have suggested improvements to billing</p>	<p>NBE believes customers should have the option of receiving invoices that either detailed or summary bill information.</p>

<p>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>	<p>Those receiving summary information bills would have access to detailed information via a portal, or on request.</p> <p>In this scenario, there would still be a requirement for some required information on a Summary Bill (Bill total, account total, NMI, due date, contact number, etc and link to detailed information).</p> <p>For example, summary bill information could be delivered to customers via text with a link to a customers detailed information available in the retailer portal.</p>
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## SECTION 5 – RELATED PROJECTS AND RESEARCH

### QUESTION 4 – Related projects and research

<p>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>	<p>NBE believes that the implementation of Customer Data Rights is related and will impact this rule change.</p>
<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?</p>	<p>No Comment</p>

## CHAPTER 4 – SOLUTIONS

### QUESTION 5 – Proposed solution

<p>1. To what extent would the proposed solution address the identified problems and their causes, and promote the NERO?</p>	<p>Next Business Energy does not accept that proponents proposed solution demonstrates that there is an demonstrated need or regulatory failure requiring that an additional guideline be developed (which would lend itself to be overly prescriptive). Also, the impact of all retailers being required to replace or update their billing systems to meet this guideline seems unlikely to meet the NERO or good regulatory practice.</p> <p>A proscriptive, highly regulated solution would require a one size fits all approach, would curtail, or eliminate retailer innovation.</p> <p>In addition, the increase of costs to customers that this solution appears to promote does not feel efficient or customer friendly.</p>
<p>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>	<p>NBE does not believe that the proponent has demonstrated that the current rules are not fit for purpose and need a significant and costly change, that would require the development of yet another regulatory instrument.</p> <p>NBE considers that the AEMC should update the current rules to provide for a lighthanded rule based approach that allows retailers to provide required minimum information, and the ability for customer to opt into a solution where they can</p>

	<p>access detailed information via an online request, or a request to provide the detailed information if required.</p> <p>For example, customers can now access their billing information for the purposes of bill comparison by providing their NMI when using Energy Made Easy and Victorian Energy Compare. This allows for detailed and impartial information to be provide on demand. The implementation of customer Data Rights could also allow customers to access their billing data directly into EME, or other third-party products.</p>
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## ALTERNATIVE SOLUTIONS

### QUESTION 6 – Rules-based approach

<p>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).</p>	<p>NBE considers that the AEMC should update the current rules to provide for a lighthanded rule based approach that allows retailers to provide required minimum information, and the ability for customer to opt into a solution where they can access detailed information via an online request, or a request to provide the detailed information if required</p> <p>This approach enables retailers to adapt their processes to suit their systems and customer requirements while maintaining a minimum standard of information.</p> <p>Allowing customers to opt in or out of the additional information, or how that information is accessed also promotes choice.</p> <p>This approach is less costly than creating and maintaining another Guideline, reduces compliance costs on retailers and allows retailers to adapt the minimum standard across jurisdictions.</p> <p>NBE also believes should also assess other information that customers are provided as part of bill changes, or other communication that provide customers with significant relevant information, provided at the precise time that customers may be considering changing retailers.</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>NBE does not consider the implementation of non rules-based approaches such as an industry code would be warranted.</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</p>	<p>NBE does not consider the implementation hybrid approach is warranted.</p>
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by the proponent and their causes? Please explain (i.e. benefits, costs, risks, and balance between principles-based and prescription and rules/non-rules)?

## 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>NBE considers that the bill is just one, of a number of ways in which customers interact with retailers and does not have the significance that it once did, with the penetration and update of the internet.</p> <p>The administrative costs associated with retailers implementing new billings systems or modifying existing systems to introduce more complex bills, with even more information must be part of the decision framework.</p> <p>The decision framework should also consider the other non-bill information provided to customer through their life cycle (pre-contract and contract information, customer charters, bill change notices etc) and information available via retailer websites and government websites such as Energy Made Easy.</p>
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