



ReAmped Energy Stakeholder Feedback - rrc0036 bill contents and billing requirements

SUBMITTER DETAILS

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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.	Partially Agree. We agree that the content requirement for invoices is too dense and the language is too complex. We do not agree with the statement that bills are no longer fit for purpose. Different customer segments utilise different information on their invoice and some do not view the invoice at all. Customers in the modern era need to have tailored invoices based on the content they want to view.
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.	Partially Agree. Current NERR billing provisions outlined in table 3.1 set a high requirement regarding the information that must be included on a bill, contributing to a cluttered or crowded appearance. It is subsequently difficult for retailers to innovate in this space without compounding the issue. Some information could be removed from bills but made available via online customer portals, however not all customers have access to customer portals or internet services.
3. What other factors also contribute to the billing issues you have identified (e.g. lack of educational tools or campaigns)?	A lack of standardised terminology means that customers switching between retailers may not understand the same information shown on the invoice. Examples of this can be varying line descriptions for the same tariff between retailers. Some simple measures could be made compulsory e.g. availability of bill explainers on retailer websites.

QUESTION 2 – Receiving energy bills

1. Do you agree there is a need to specify requirements for retailers on how they issue and deliver bills? Please explain your view.	Do Not Agree. Customers choose their energy provider based on a range of factors including price, product, service model, or corporate responsibility. Directing retailers on how they issue and deliver bills risks increasing overheads to low cost retailers with primarily digital offerings, possibly reducing competition in the market or reducing innovation of product or services..
2. Do you have a view on how best to give effect to the principle of consumer choice driving billing issuance and delivery? Please explain your view.	Energy Made Easy is well placed to capture billing options at a product level. A separate/searchable feature could be used so customers can easily identify products or retailers that provide bill delivery in their preferred manner and any associated fees..

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>The display of a customer's usage on an invoice can be confusing as multiple different values are required.</p> <p>There are some differences between retailers regarding terminology. Standard definitions across the industry would increase clarity for customers and provide them the opportunity to further their understanding of the industry.</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>With the increase in digitisation and accessibility of customer portals, the bills themselves have almost become obsolete for many consumers who opt in to the digital experience. For these customers, bills could be made significantly simpler as most of the information is available in the portal.</p> <p>For consumers not comfortable with the internet or digital solutions, the bill information still serves a purpose.</p>
<p>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>	<p>We recommend the introduction of standardised billing terminology between retailers. Customers looking to compare invoices would be able to do so with ease if they understand what they are comparing.</p> <p>Utilising standardised terminology would support the introduction of the Consumer Data Right in energy. This would be achieved by promoting easily comparable data in the market and reducing customer confusion during the comparison process.</p> <p>Where online portals are provided, bill content could be reduced in order to simplify layout, provided information was available to the customer. This would align with movement towards increasing digitisation, and the move to a two-sided market, which is/will be heavily digitally dependent.</p>

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>ReAmped has not undertaken any market research in this space and therefore cannot provide valuable commentary here.</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>In our experience, energy invoices in New Zealand are simpler and clearer for customers and regulated billing content is minimal. This view reduces the potential for a customer to be confused by an invoice by making each value clear and concise. Customers who look for more information are provided by their retailer through an online portal or by request.</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>The proposed solution in theory addresses the problems however it is not prescriptive. More thought is required, particularly with respect to the amount of information currently required to be displayed on the bill. Customer consultation is needed to determine which items are required and/or valued from a customer perspective, with an additional lens on different customer segments and their adaptability towards a digitised future.</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>There is an opportunity cost associated with this implementation. This implementation restricts the improvement of other functions/areas and innovation towards new products and services</p>

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>We support a principles based approach as this is easier for customers to reference and understand. We find that customers do not understand or reference the NERR. If this change is to benefit customers then it should be delivered in a format that is relevant to them. Amending billing systems to accommodate different bill content could however be time consuming and costly. A better approach would be to determine the minimum requirements, however mandate that the additional information be provided another way - e.g. via digital customer portal or mobile application.</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>We believe the Commission should use a combined approach, mandating minimum bill content requirements and standard terminology, with optional content to be provided by the Retailer in a format they can determine. It should be left to Retailers to determine how best to provide additional information and communication to customers. Customers can then choose Retailers/products based on a number of factors, including how information is delivered to them, via bills or online content.</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</p>	<p>The commission should consider a hybrid approach that contains a best practice case that shows customers what they can expect from their retailers. This would help keep retailers accountable and customers informed.</p>
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Stakeholder feedback

Bill contents – customers with interval meters
31 January 2019

causes? Please explain (i.e. benefits, costs, risks, and balance between principles-based and prescription and rules/non-rules)?	
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CHAPTER 5 – ASSESSMENT FRAMEWORK

QUESTION 9 – Assessment framework

1. Is the proposed assessment framework appropriate for considering the rule change request? Are there other considerations that should be included?	We believe that NERO is an accurate assessment tool for this change however additional consumer consultation is required to more accurately determine the value that consumers place on bill content vs online content.
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