

15 January 2020

Conrad Guimaraes
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235



Dear Mr Guimaraes,

Submission to Regulating Conditional Discounting – Draft Determination

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC broadly supports the draft determination, and agrees that the proposed measures will offer important, material protections to retail consumers.

PIAC welcomes the extension of the application of the proposed rule to all discounts, fees or charges relating to the timing or method of payment. This will help to ensure clearer information provision and contract terms, and help to ensure that consumers are not subject to unreasonable penalties that impact their energy affordability.

PIAC supports the Commissions proposal to apply the new rule to existing contracts from 1 July 2020, and that the rule apply to both electricity and gas contracts. PIAC notes that should a retailer wish to continue offering a discount at a level above what represents 'reasonable costs', they are still able to make such discounts unconditional in relation to the terms of the rule.

While we understand the Commissions reasoning that an explicit guideline for reasonable costs is not necessary at this time, we do consider it worthwhile that final rule come with an explicit direction to the AER that the application of 'reasonable costs' be closely monitored.

Continued engagement

PIAC would welcome the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth.

Yours sincerely,

Douglas McCloskey

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