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Executive Director, DMO and Consumers
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Via e-mail: consumers@aer.gov.au

Retail Guidelines Review – Consultation paper (AER reference 24010022)

Alinta Energy welcomes the opportunity to respond to the Australian Energy Regulator's consultation paper on the review of the retail guidelines.

Alinta Energy is an active investor in energy markets across Australia with an owned and contracted generation portfolio of over 3,300MW and more than one million electricity and gas customers, and has a strong interest in the review's outcome to ensure improvements for our customers and team members whose responsibility it is to administer the future consolidated guideline.

We support the objectives of the review outlined in section 2.1 of the consultation paper. Consolidating the guidelines into a single, streamlined document that is easier to navigate and understand will improve outcomes for consumers while reducing regulatory complexity and the compliance burden faced by retailers. We also support the principle that the benefits of any proposed changes should outweigh the associated costs.

Flexibility in how retailers comply with the requirements of the guidelines, together with minimising the need for system and process changes, will be critical to achieving the review's objectives. Avoiding wholesale changes to retailer systems and overly prescriptive requirements will help minimise costs for consumers and support a more consistent experience across the energy retail market. At the same time, we support a framework that provides sufficient clarity to enable retailers to confidently and effectively comply with the requirements of the consolidated guideline.

We acknowledge the AER's consideration of other reforms currently underway and their potential overlap with the review, including the Better Energy Customer Experiences reform program, the Default Market Offer review, the Australian Energy Market Commission's pricing review, and stages 1 and 2 of the Essential Services Commission's review of the Energy Retail Code of Practice.

Stability in the retail guidelines following the conclusion of this review would provide certainty and allow sufficient time to assess the benefits and costs of the changes before any further amendments are considered. We therefore support avoiding any additional review for a period of three to five years following the completion of the current process.

Our responses to the consultation paper's questions are set out in Attachment 1. Alinta Energy looks forward to continued engagement with the AER as the review progresses. We welcome further discussion on any matters raised in this submission. Please contact David Calder [REDACTED] in the first instance.

Yours sincerely

Graeme Hamilton
General Manager, Regulatory & Government Affairs

Attachment 1: Response to consultation paper questions

Question	Response
<p>1. How can we make sure the combined guidelines are easy for stakeholders to use, including retailer staff who will be responsible for implementing the requirements?</p>	<p>The overarching objectives of the guideline review set out by the AER are supported.</p> <p>Simplifying the regulatory framework is strongly supported.</p> <p>Retailers face a growing compliance and regulatory burden that increases operating costs and, in turn, costs borne by consumers. In many cases, these obligations deliver limited incremental benefit relative to their known costs. Reducing duplication would therefore be a constructive and welcome outcome of the review.</p> <p>Alignment across the guidelines and removing redundant obligations is supported.</p> <p>Combining the obligations into a simple, clear, and easily understood guideline will provide clarity and ease of use for retailer staff and minimise non-compliance.</p> <p>Consistent communication. While we support the use of consistent language and communications, some flexibility should be retained to support efficient retailer implementation. Any consolidation of guidelines should also avoid driving wholesale changes to retailer systems and processes.</p>
<p>2. How could we adapt the design principles to different communications and where is more specific formatting guidance required?</p>	<p>While we support simple, well-designed communications, we do not consider the guideline review an appropriate vehicle for requiring significant changes to existing materials. Any updates should preserve flexibility for retailers to apply the design principles in a compliant way, without mandating identical or standardised messaging across the market.</p>
<p>3. How could we make communications more accessible for customers?</p>	<p>The most essential information being presented as a priority will assist customer accessibility and understanding.</p> <p>The fact that an increase in ombudsmen contacts occurred following the introduction of the Better Bills Guideline is not surprising – by promoting this information consumers will assume they need to call the number listed. This adds costs to retailers and all customers.</p>
<p>4. How could benefit change notices be improved to make it easier for customers to understand and take action when their benefit is changing?</p>	<p>Over-specification, or the introduction of materially new processes and communications through the combined guideline addressing benefit changes, should be avoided. While new products and services will need to be considered over time, most customers are expected to remain on traditional energy plans. Introducing additional complexity to accommodate a relatively small cohort of more sophisticated customers, such as those participating</p>

Question	Response
	in VPPs or other CER arrangements, would add cost with limited benefit for most energy consumers.
5. How will secondary settlement points change energy plans and energy plan information?	<p>We agree that a flexible approach to communicating secondary settlement point information to customers (via their plans and billing arrangements) should be adopted.</p> <p>The <i>Unlocking CER benefits through flexible trading</i> rule is recent and untested in the market. We do not believe it is prudent to define regulations in guidelines before products are understood. Participation in the rule is also voluntary; adding complexity will discourage retailer innovation and participation.</p>
6. How could our guidelines make complex energy plan information more relevant and easier to understand?	Obligations for different and emerging types of energy services should not be overspecified. Again, flexibility for retailers should be considered and minimising the cost of compliance central to the combined guidelines.
7. How could we improve transparency and reduce customer confusion in relation to energy plan names?	<p>Energy plan names are a function of retailer systems and product development.</p> <p>Complex prescription in the guidelines on energy plan names will risk significant cost to retailers to re-design systems. Any changes in this area also needs to consider potential outcomes from the Australian Energy Market Commission's Pricing review – <i>Electricity pricing for a consumer driven future</i>.</p> <p>The AER has previously amended section 37 of the Better Bills Guideline to address plans with the same name and improve customer understanding.</p>
9. Where should customers receive better offer messages and how could we ensure the messages are clear and appropriate for different kinds of communications?	<p>Better offer notices via text (SMS) messaging should not be considered part of the new combined guideline. Retailers are required to make comparative information available in other ways under the <i>Improving the ability to switch to a better offer</i> rule determination made by the AEMC in September.</p> <p>Over-prescription of the type, number and format of better offer information should be avoided. Reducing the calculations required by retailers to provide customers with better offer information is supported.</p>
10. What should we consider in defining the term 'deemed better offer,' including in relation to how better offers are identified and how much a customer would need to save?	<p>Alignment with changes to the Energy Retail Code of Practice in Victoria would harmonise regulations (if only very slightly).</p> <p>The definition of 'deemed better offer' should be simple and consistent, noting that each customer has unique needs, and historical patterns of consumption (which are not a reliable predictor of future consumption). We welcome further consultation on developing this definition for hardship customers.</p>

Question	Response
12. What information would be useful for customers in embedded networks to understand their energy plan and how it compares with others in the market?	As a general principle, where it is economically viable to do so, we support the application of consumer protections and information provision to customers served within embedded networks, noting that not all customers are able to choose an alternative retailer depending on the metering and connection arrangements associated with an embedded network.
13. What specific changes could we make to the standardised statements in hardship policies to make them more consumer friendly?	As with other potential areas of change arising from the consolidation of the guidelines, the review should avoid driving costly, wholesale changes to existing requirements. The term “hardship” has been used consistently by both regulators and industry for many years, including by the AER in its guideline since 2019. While a more consumer-friendly term could be considered, any change should be approached cautiously and with regard to existing frameworks and systems.
14. What concession and rebate information should be included on energy bills?	<p>Alinta Energy believes that concession and rebate information should be clearly communicated to customers. It is in the interests of customers and retailers that all eligible concessions are accessed. We believe the review provides an opportunity to streamline these communications while still supporting the principle of flexibility to minimise any changes to retailer systems and processes.</p> <p>In addition, harmonising concession schemes across jurisdictions would significantly enhance simplicity and consistency, making it easier for customers to understand and for retailers to implement.</p>