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EnergyAustralia

LIGHT THE WAY

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AER Retail Guidelines Review – Consultation Paper – 12 Nov 2025

EnergyAustralia is one of Australia's largest energy companies with around 1.6 million residential and business customers across eastern Australia, of which around 22k customers are supported under our hardship program (EnergyAssist). EnergyAustralia owns, contracts, and operates a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 5,000MW of generation capacity.

We appreciate the opportunity to provide feedback on the Retail Guidelines Review. We accept there is a mandate to update the Guidelines resulting from several recent regulatory changes. We believe additional changes to the Guidelines should be limited, particularly where the intent could be addressed through other reforms or where the change may impede innovation and the development of desirable customer products.

EnergyAustralia accepts that there are changes required to the Guidelines, either from regulatory requirements or because of the evolving nature of customer expectations and participation in the energy market. This review provides a great opportunity to clean up provisions in the Guidelines that are either unworkable, ineffective, or no longer meeting these expectations. For example, Virtual Power Plant and the uptake of Consumer Energy Resources have created conflicts with the objectives of the Guidelines, with requirements for comparison and information presentation that don't adequately represent the benefit these offerings provide.

We are therefore concerned that additional prescriptive obligations may deter the development of innovative customer products. While we appreciate the AER's intent to improve outcomes for customers, this risk needs to be thoroughly considered as the energy transition requires the evolution of retail energy products to meet customer expectation and demand. If the changes to the Guidelines only achieve minor improvements in customer satisfaction this may be at a cost that exceeds the benefit; particularly, if this inhibits the development of the products and services customers desire in an evolving energy market.

EnergyAustralia's considers the AER's guidelines should be primarily designed for guidance instead of prescriptive regulation. This was the intent when the guidelines were first developed and this is the flexibility required by the retail market to allow

innovation to develop; the market and consumer products are in a stage of immense change, with new technologies changing customer expectations and requiring retail offerings to follow in suit.

Notably, there are also major reforms in consideration that may overhaul the retailer-customer protections framework, with the *Better Energy Customer Experiences*¹ and the considerations of a *consumer duty*²³ both assessing how reduced prescription and more emphasis on retailer behaviour can achieve the required outcomes of consumers. Such a duty would require flexible regulatory settings, and regulatory approaches which can be comfortable with some ambiguity. A customer duty (where such exist) broadly aims to provide outcomes consistent with what a customer might have reasonably expected, and which are in their interest. This cannot occur effectively while simultaneously requiring participants to comply with extensive prescriptive regulations aiming to achieve an outcome that a regulatory body deems is best (regardless of what the customer actually wanted from a service).

Finally, **we urge the AER to consider delaying developing new requirements in the guidelines until recent and forthcoming rule changes have had time to establish, and customer outcomes impacts can be assessed.** Delaying a decision until there is evidence of a need for change is a prudent position to ensure that the benefit of a change exceeds the cost.

Where we believe there is merit in changes to the guidelines and where we believe the potential changes discussed in the consultation paper are not justified are outlined below.

Billing guideline

- Alignment between jurisdictions reduces complexity and cost to serve, improving customer outcomes from consistency in energy as a product and in reduced energy prices. We therefore recommend the AER align with Victoria's Essential Services Commission billing requirements (*ERCoP*⁴) where possible.
- The better offer message should permit additional text to provide relevant information to the customer about the better offer calculation (e.g. if there is an exit fee or another fee which isn't considered in the calculation), or in how to switch to a better offer. Alignment with the *ERCoP*⁵ would provide this capability.
- Requirement to have regard to the small customer's annual usage history might produce an inaccurate calculation of the annual total costs of a plan/offer. Particularly, when there are changing habits at the customer's property (e.g. purchase of an Electric Vehicle (EV)), where there is no usage history, and/or when the customer is participating in a Virtual Power Plant (VPP). Including non-VPP generally available plans when calculating potential better offer is confusing at best, and has the potential to be misleading when customer is on a VPP-type offer.

The AER ought to consider limiting the better offer message to instances where there is historical usage data that can be compared against generally available offers.

¹ Better Energy Customer Experiences - Department of Climate Change, Energy, Environment and Water

² Exploring consumer duty in energy: Opportunity, challenge, and pathways forward | Australian Energy Council

³ Exploring a consumer duty for Australia's energy market | Energy Consumers Australia

⁴ Energy Retail Code of Practise

⁵ Clause 111 (6)

Anything that drives behavioural change (such as EV or VPP participation) should be either:

- allowed an appropriate explanation that the better offer information isn't likely to be accurate, or,
 - exempt these plans altogether. In this event, a message could explain how the EV or VPP plan is intended to be a cheaper overall plan and request the customer to engage with their retailer if they need to understand this in more detail.
- The better offer calculation should be limited to offers that will be available for two weeks following the message printing. Where deemed better offers include those that are only available for a very limited period, it leads to customer dissatisfaction when these offers are not available. Offers may change or be withdrawn from the market shortly after the better offer calculation, this can be due to short but reasonable delays in actioning a plan withdrawal, e.g. delays across different third-party channels, or because the offers were only available for a short period ('Black Friday' offers, etc).
 - Establishing an identifier for each energy plan will address the 'different plan, same name' problem. An identifier is the most suitable option (preferably partially numerical) due to the frequency of energy plan changes.
 - There is no evidence to suggest that providing information about concessions on or accompanying billing increases concessional uptake by consumers. If the AER is considering avoiding unnecessary costs in its decision-making process for these guidelines, then in general it would be pertinent to avoid any changes to the billing relating to concessions, particularly given each jurisdiction makes changes to these almost annually. These changes contribute to consumer confusion in relation to eligibility and access. It would be far more effective for the AER to promote and advocate for the AEMC recommendation that the Federal and State Governments work together to develop an automated concession system and process. An automated concession framework could be implemented such there may be no reason to have concession information on billing.

Benefits Change Notice Guideline

- Including the Better Offer information on the Benefits Change Notice will be beneficial to customers in deciding what action to take at the end of their contract. We believe the AER should align requirements with the ERCoP, as the Vic requirements detail Benefits Change Notice obligations on how retailers should present information in a readily understandable manner including the 'best offer'/better offer information.
- The definition of *Generally Available* plans is too broad. Under the current definition, plans which aren't readily accessible (while still deemed generally available) are presented to the customer as their potential deemed better offer, displacing another offer which would in reality be more suitable based on the customers situation.

For example: a plan only available to senior card holders is Generally Available. Under present arrangements it would be presented best offer with an eligibility condition of seniors card holder and be presented to a wider group of customers than are eligible for it.

Retail Price Information Guideline

- The Consumer Reforms Package will require retailers to set fees at a reasonable price. It therefore seems unnecessary to include additional information on fees in the Basic/Detailed Plan Information Documents (B/DPID) as the amount payable has already been deemed reasonable. We appreciate that the inclusion of this information is to address perceptions of unfair fees and we believe that the obligation to set the fee at a reasonable price will resolve this concern.

If the AER's view is that the change to the B/DPID is still necessary to improve customer acceptance and understanding of fees, we request the AER seek supporting data on the frequency and use of these documents by customers. EnergyAustralia's data detailing the request and use of these documents indicates that these documents are infrequently accessed by customers.

- *Unlocking Consumer Benefits through Flexible Trading* has allowed for the development of Secondary Settlement Point (SSP) and associated retail products. We believe that these offers are too complex, and contain too many variables to be effectively represented in B/DPIDs. Each customer will have different attributes for their SSP (EV, Hot Water Service, Solar, etc), and different agreements for these. For example, each SSP would be covered by potentially different parameters:
 - (when will they charge/export?)
 - will it be guaranteed access or requested?
 - Will the functionality initiate at time of market need?),

It will be too complicated to document this variability in the required format. A minimum level of reasonable information could be presented, describing how a SSP arrangement can occur with a retailer, or where the SSP has clearly defined attributes; e.g. an EV will be able to charge during a 1:00 am to 7:00 am window.

- We support changes to the information presented for embedded networks, as we believe this would improve customer's understanding of their energy products and how these are comparable to on-market offers. However, we encourage the AER to consider how embedded networks can determine whether fees are 'reasonable', as each embedded network will have costs specific to them. For example, each embedded network will have disconnection and reconnection fees, which are likely to be different based on many factors (property location, customers, where the meter is located, etc).

Hardship Policy Guideline

- EnergyAustralia acknowledges that there are many people that could benefit from a Hardship Guideline designed for low levels of literacy. We also appreciate that the changes to the Hardship Guideline are not overly complex to implement. We are sceptical of whether the change will notably improve customer outcomes as there are very few customers who actively obtain a retailer hardship policy. In addition, the AER has pending rule change requests with the AEMC which propose changes proposed to hardship protections in the NECF. There is likely to be greater realised benefit to customers in the AER pursuing these with the AEMC.

If you would like to discuss this submission, please contact me on [REDACTED] or [REDACTED].

Regards

Travis Worsteling

Regulatory Policy Manager

Appendix

Consultation Questions

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?*

Understanding how the changes will impact the historical guidelines, and providing guidance outlining where this has occurred. Remove the need for retailers to solely rely on their own review to identify where the consolidation has impacted historical obligations.

2. *How could we adapt the design principles to different communications and where is more specific formatting guidance required?*

BETA's design principles used on the Better Bills Guideline were assessed by BETA, with the research conducted by BETA it makes the findings less credible. EnergyAustralia does not believe the Better Bills Guideline has improved comprehension and customer satisfaction to the degree that would support further BETA design principles being implemented on other communications.

The example provide of '*more customers contacted the ombudsman in error (instead of their retailer)*' is a good example of actual data representing how the Better Bills Guideline hasn't improved comprehension.

EnergyAustralia recommends establishing which 'communications' cause customer concern or dissatisfaction, and separating out those that are caused specifically by confusion in what is communicated. This communication could then be assessed to determine how it could be improved. The assessment of improved comprehension should be undertaken by someone independent from the design of the communication.

Specific formatting guidance can be determined based on this assessment of which communication is causing issues with comprehension. It may be the case that there is no communication that meets the criteria, or that there is communication that does but due to the nature of this communication it is not suitable for wholesale changes e.g. smart meter notification communication can be confusing, due to the nature of the installation and flow on effects (describing the install, what could go wrong, what will happen next) but changing these now will have significant costs and as these notifications are only sent once, it may be pertinent to consider different avenues for improving this communication (e.g. options to call or links to a trusted website).

3. *How could we make communications more accessible for customers?*

The AER could establish which cohorts of customers are not supported by the range of communication options required and provided under the guidelines, the AER will then need to determine if there is a need to include requirements for these cohorts. Considering the implications of cost against benefit, as it may not be suitable for regulation to require specific communications for every instance in which communication and accessibility are impacted. For example, does the quantum of the issue outweigh the cost to implement, or is it more acceptable that these instances are addressed through other means like calls to interpreter services instead of printing bills in all possible languages.

4. *How could benefit change notices be improved to make it easier for customers to understand and take action when their benefit is changing?*

It is unclear if there is any limitation in the current benefit change notice that is inhibiting customers in enabling a change. The AER should determine if there is a comprehension issue or whether this is purely a customer choice, in which they have

preferred to remain on their existing product instead of participating in the process of changing.

5. *How will secondary settlement points change energy plans and energy plan information?*

While Secondary Settlement Points (SSP) can be available to customers from December 2026, it is yet to be seen how much this 'voluntary' uptake will be adopted. EnergyAustralia recommends delaying any inclusion of SSP information in guidelines until the following Guideline review, as it is highly likely that the uptake of this new connection will not justify wholesale changes to Guidelines. We believe this to be the case because those customers that voluntarily chose this option will be making an informed decision when making the choice and we suspect the uptake will - at least in the early stages - be minimal.

Delaying will also allow for greater information to be obtained from the AER and participants into what customers on or in choosing to be on a SSP actually require.

6. *How could our guidelines make complex energy plan information more relevant and easier to understand?*

Prescribing requirements under guidelines may make information easier to understand but this needs to be weighed against the likelihood that prescriptive regulation can cause by inhibiting innovation and product development. It would be remiss of the AER to develop guidelines that reduce innovation at a time in which it is vitally important that it occurs, as the energy transition will call for new retail offerings to meet changing technology and customer expectations, and at a time in which energy products need to evolve to meet the expectations of customers.

EnergyAustralia has experienced difficulty in developing new products due to the prescriptive requirements of the existing guidelines and we urge the AER to consider different options to protect customers while also protecting the ability of energy retailers to develop innovative energy products.

We recommend the AER consider developing metrics to determine when prescriptive guidelines need to be applied to the diversity of products available, with a preference for limiting the requirements for innovative products that are in the development stage (<5,000 customers). Additional requirements can be established to ensure that this allowance only applies when it is in the best interest of consumers, for example, this should only apply for products that customers have provided Explicit Informed Consent for, minimum information requirements should be set on any products, etc.

7. *How could we improve transparency and reduce customer confusion in relation to energy plan names?*

EnergyAustralia supports the intent of changing energy plan names. We agree that existing plans can cause confusion, particularly when considering 'better offer' information, and we agree that it would not be a good outcome to prescribe plan names akin to the health insurance industry. We believe that unique identifiers (represented on Energy Made Easy) is a preferable solution.

8. *How could we ensure better offer messages are clear, relevant and trusted?*

We believe changes to the plan names available (same plan name issue) will improve the better offer message. We recommend assessing how this impacts the uptake of better offer information and then considering if further changes are necessary. We do not believe that this would need to wait for the next scheduled review of the guidelines, and that if information supported the need for change following the plan name update, then industry would accommodate it out of the review cycle.

9. *Where should customers receive better offer messages and how could we ensure the messages are clear and appropriate for different kinds of communications?*

Better offer messages should be required in any communication (physical letters, digital interactions) that relates to an electricity bill or a forthcoming change to the customer's benefits or contract. However, the AER should consider each of these interactions separately, understanding how each may differ between retailer, and how the customer may interact with this communication. While we agree that minor changes to these communications (as suggested with the benefits change notification) are desirable, it should first be determined whether this will be an effective form of communicating this information.

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?*

Aligning with the increased better offer threshold of Victoria (\$50) would be a preferable change, consistency between jurisdictions is a simple way to reduce cost to serve and improve energy knowledge of customers in the NEM.

When considering a 'deemed better offer' it is important to establish appropriate guardrails for the application of this to hardship customers and the forthcoming obligation to provide a financial benefit equivalent to the amount they would have saved. As described in the consultation paper, the AER is considering changes to the better offer message that would include restricted plans, this is not an equitable solution in this scenario as restricted plans are generally aimed to present a value to elicit a response that is desirable for shifting load or long term contracting, and these would not occur for customers that are receiving a financial equivalent based on a better offer comparison.

We recommend that the deemed better offer definition has a caveat removing restricted offers from eligibility in the financial equivalent component of hardship customers.

11. *How could we improve transparency of fees and charges in plan information and on Energy Made Easy without making plan information too complex for customers?*

With the new rules requiring fees and charges to be set at a reasonable level and the removal of fees and charges for specific customers, it seems unnecessary to create further requirements for advising of fees and charges on Energy Made Easy and plan information. Aside from the increased complexity that this additional information would cause, with prices being set at a 'reasonable' level then it should be considered what value there is in an increased description of this information.

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?*

We support providing improved information to those embedded network customers serviced by authorised retailers but we encourage the AER to consider the breadth of embedded network customers and their bespoke relationships with their embedded network operator, as we understand that there are a large proportion of embedded network customers that receive energy from operators that have a quantity of customers that make them either exempt or not likely to adhere to any guideline.

13. *What specific changes could we make to the standardised statements in hardship policies to make them more consumer friendly?*

EnergyAustralia is supportive of changes to improve outcomes for customers experiencing vulnerability and we believe the AER's forthcoming rule changes to consider Payment Difficulty Framework obligations is the appropriate avenue to consider changes to achieve this.

We do not believe that changes to terminology in the standardised statements will result in any notable increase in customer's understanding of retailer's hardship assistance, and believe it is more effective to work on retailer requirements for providing assistance than in improving information within a policy document; particularly, when these hardship policy documents are not likely to be read by customers.

14. What concession and rebate information should be included on energy bills?

We fully support increased application of concessions but urge the AER to work with their Federal and State Government counterparts to drive the production of an automated concession system, instead of making changes to concession information.

An automated concession system is the desired and required output to ensure that all Australian energy customers receive their eligible concessions. It is futile and a waste of resources (time and money) to make changes to existing communication to 'improve' concession information, as it has historically been in the best interest of customers and retailers to have concessions accurately applied and there is still a huge discrepancy in those that do and should receive their concession.