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M2 Energy Pty Ltd Submission

Response to AER Retail Guidelines Review – Consultation Paper

Introduction

M2 Energy Pty Ltd (trading as Dodo Power & Gas) (M2 Energy) welcomes the opportunity to provide feedback on the Australian Energy Regulator's (AER) consultation regarding the consolidation of the Better Bills Guideline, Retail Pricing Information Guideline (RPIG), Benefit Change Notice Guideline, and Customer Hardship Policy Guideline into a single, consolidated retail guideline.

M2 Energy supports the AER's objective of improving consistency, clarity, and accessibility of information provided to energy consumers. We recognise that a well-designed consolidated guideline has the potential to reduce duplication, improve compliance outcomes and enhance consumer understanding.

As a small energy retailer with a relatively lean operating model, M2 Energy is particularly focused on ensuring that the consolidated guidelines are proportionate, operationally feasible and technology-neutral, and that they appropriately balance consumer protection objectives with the practical realities of implementation across retailers of different sizes.

Regulatory Context and Scope of Reform

M2 Energy acknowledges the AER's statutory role in promoting the long-term interests of consumers, including through the development and enforcement of retail regulatory instruments.

M2 Energy supports consolidation in principle and agrees that alignment across retail communication, pricing information, benefit change notices and hardship obligations may assist in improving regulatory clarity. However, M2 Energy notes that the consultation proposals, when considered collectively, could introduce a number of new expanded requirements that may require material changes to billing systems, communication frameworks and operational processes.

For smaller retailers, such changes are often fixed in nature and cannot be readily scaled by customer volume. Without appropriate proportionality and flexibility, there is a risk that the cumulative impact of incremental obligations may result in a disproportionate compliance burden, with limited additional consumer benefit.

Accordingly, M2 Energy considers it important that the consolidated guidelines clearly distinguish between existing obligations and genuinely new requirements, and that the final framework allows sufficient flexibility to accommodate different retailer operating models.

General Principles for Submission

M2 Energy's submission is guided by three core principles:

1. **Operational Feasibility and Proportionality** – Obligations should be realistic for small retailers and proportionate to the consumer benefit delivered.
2. **Clear, Consistent and Practical Guidance** – Requirements should be clearly articulated and avoid ambiguity or unnecessary prescription that may result in inconsistent implementation or excessive manual effort.
3. **Consumer Benefit Relative to Implementation Cost** – Where new or expanded obligations are proposed, simplification, optionality or transitional flexibility should be provided to ensure implementation costs are proportionate to the consumer outcomes achieved.

Response to Consultation Questions

The positions in Table 1 reflect M2 Energy's assessment of the consultation proposals having regard to operational feasibility, proportionality and consumer outcomes. In particular, M2 Energy has focused on identifying areas where regulatory objectives may be achieved through simpler or more flexible approaches, without compromising consumer protection.

Consultation Question	M2 Energy Position	Rationale / Small Retailer Impact	Suggested Improvements
Guideline structure	Support consolidation of the four guidelines. Request clear separation between universal obligations and communication-specific obligations, templates, and a unified glossary.	Reduces interpretation errors, avoids complexity, and improves usability for small teams.	AER to provide structured templates and unified glossary.
Design principles	Support high-level principles. Oppose prescriptive formatting. Request flexibility and "minimum viable standard" approach.	Small retailers generally do not have in-house UX teams; strict visual formatting could be costly.	AER to provide templates for key documents; allow flexibility in implementation.
Accessibility	Support accessibility measures with caveats. Request AER-provided multi-language templates and plain-English baselines.	Avoids bespoke versions and ensures feasibility.	Base templates for low-literacy, CALD, and vision-impaired customers.
Benefit change notices	Support simplified, action-oriented notices. Oppose duplication of better offer logic.	Avoids complex comparisons and additional system costs.	Unified comparison method; short notice format.
Secondary settlement points (SSP)	Request optional or minimal disclosure. Oppose mandatory disaggregation of SSP costs.	Multiple metering points create high IT redevelopment cost; challenging for small retailers to absorb these costs.	Optional SSP disclosure for small retailers.
Complex energy plans	Support tiered disclosure. Basic requirements for all plans; enhanced for advanced products only.	Prevents unnecessary complexity for simple product portfolios.	Tiered disclosure approach.

Consultation Question	M2 Energy Position	Rationale / Small Retailer Impact	Suggested Improvements
Plan names	Support use of Energy Made Easy (EME) Plan ID alongside plan name. Oppose additional naming restrictions.	Avoids marketing, contract, and system rework.	Minimal-cost approach using EME ID.
Better offer messaging	Include only eligible plans; raise savings threshold; use single AER-defined calculation method; oppose retailer-specific customisation.	Reduces customer confusion and operational burden; avoids complex annualisation calculations.	Clear thresholds and simple calculation rules.
Communication channels	Support better offer messages via bill emails only. Oppose SMS/app notifications.	Small retailers may not have application-based capabilities, and not all consumers use mobile applications; SMS channels are also limited in their capacity to convey required disclosure content.	Limit to bill emails for mandatory communication.
Hardship / deemed better offer	Support \$50 savings threshold; exclude membership plans; simple annualised cost method.	Reduces unnecessary plan switching and operational burden.	Align threshold with Victoria; simple calculation.
Fees & charges	Support high-level standardised fee table. Oppose granular or scenario-based breakdowns.	Avoids major billing redesign and inconsistency risk.	Standardised template for fee disclosure.
Embedded networks (EN)	Support high-level transparency only; exclude network charges outside retailer control.	EN billing is typically reliant on data provided by third-party network operators; and retailers may not have access to all underlying network or cost data required to support detailed disclosure.	Proportional disclosure requirement.
Hardship policies	Support plain-English templates; prefer term "payment support" over "hardship"; remove discouraging eligibility language.	Improves consistency and reduces customer anxiety.	Standardised AER templates; simple language.
Concessions & rebates	Support static messages showing concession applied and link to Government site; oppose dynamic eligibility messaging.	Avoids IT complexity, errors, and operational burden.	Static, low-cost messaging approach.

TABLE 1: SUMMARY OF AER CONSULTATION TOPICS AND M2 ENERGY'S PROPOSED POSITION

Implementation and Transition Arrangements

M2 Energy considers that implementation timing and transitional arrangements will be critical to the effective introduction of the consolidated guidelines.

A number of the proposals outlined in the consultation paper could require coordinated changes across billing systems, customer communication templates, compliance processes and staff training. Even where individual changes appear

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incremental, they may necessitate system redevelopment, testing and validation, particularly where billing accuracy and regulated customer notices are involved.

In this context, M2 Energy considers that a minimum implementation runway of at least 12 months from the publication of the final consolidated guidelines could be appropriate. This timeframe could allow retailers to:

- undertake system development and configuration in a controlled manner;
- complete end-to-end testing and validation of billing and customer communications;
- update compliance frameworks and supporting documentation; and
- deliver appropriate staff training to support consistent customer outcomes.

M2 Energy also encourages the AER to clearly identify which obligations represent genuinely new requirements, as distinct from consolidated or restated obligations, to assist retailers in prioritising implementation effort.

To further support orderly implementation and minimise compliance risk, M2 Energy considers it appropriate that the AER:

- allow transitional arrangements where retailers may continue to rely on existing compliant processes for a defined period; and
- consider phased implementation for higher-impact obligations that require material system changes.

These measures could assist retailers to implement the consolidated guidelines in a measured and orderly manner and reduce the risk of unintended customer impacts arising from compressed delivery timelines.

Conclusion

M2 Energy supports the AER's consolidation initiative, provided the final guidelines remain clear, practical, and proportionate for small retailers. We encourage the AER to:

- Provide templates, unified glossary, and plain-English guidance;
- Adopt a principles-based, tiered approach to obligations;
- Allow optionality and transitional flexibility where implementation cost is significant; and
- Avoid prescriptive formatting or requirements that impose disproportionate IT or operational burdens on small retailers.

We thank the AER for the opportunity to provide feedback and remain available to offer further clarification or input as required.

If you have any queries about this submission, please contact [REDACTED] on [REDACTED] or [REDACTED].

Signed by [REDACTED]