

15 July 2026

Paul Harrigan
Executive Director, Default Market Offer and Consumers
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Submitted by email: consumers@aer.gov.au

Dear Paul,

RE: Draft AER Retail Guidelines

GloBird Energy (**GloBird**) welcomes the opportunity to provide feedback on the draft AER Retail Guidelines (**draft guidelines**).

GloBird commenced retail operation in 2015 and has since grown to a customer base around 300,000 residential and small business customers across Victoria, New South Wales, Queensland and South Australia. Our excellent value energy offerings, innovative products and high-quality customer service are key drivers of our success in this highly competitive energy market.

GloBird supports the submission made by the Australian Energy Council (AEC) and reiterates that principle-based regulations are more efficient and effective when scope, examples and explanations are provided, especially when terms such as “honest”, “fair” and “easy to understand” are used. Without clarity, retailers, regulators, ombudsman and other stakeholders are likely to have different interpretations and expectations of the requirements to comply with the obligations associated with these principle-based terms.

Notwithstanding our support to the AEC’s submission, our submission focuses on the following:

1. Seeking to add “*customers on energy plans that include a tariff linked to the energy spot price*” to the list of circumstances where a better offer is not required (clause 22 of the draft guidelines).
2. Requesting to prescribe a consistent methodology retailers must use when entering pricing information to Energy Made easy in relation to energy plans that include a tariff linked to energy spot price.
3. Seeking clarifications on some matters in the draft guidelines

Customers on energy plans that include a tariff linked to the energy spot price should be exempt from receiving a better offer message

In our submission to the AER retail guideline review’s consultation paper, we highlighted the challenges retailers will face when providing a better offer message to customers on energy plans that include a tariff linked to the energy spot price, wholesale cost pass-through or otherwise. In particular, we explained that the calculation of the *annual total cost*¹ of the customer’s current plan cannot be calculated because the tariff current at the date the communication is to be issued cannot be determined, as the price changes every 5-minute.

To overcome this challenge, we proposed using historical spot prices and including a disclosure in the better offer message clarifying how the *annual total cost* of the customer’s current plan was calculated.

Following the release of the draft guidelines GloBird contacted the AER to clarify its position on this matter. The AER advised that it has maintained the better offer calculation and message as simple and consistent

¹ Annual total cost is defined in the Definitions section, page 3, Draft AER Retail Guidelines

metric, for both retailer implementation and customer comprehensive reasons. The AER confirms that it is keen to understand what type of plans should be excluded from the better offer message obligations and why.

Given the AER stated position, we submit that customers on energy plans that include a tariff linked to the energy spot price should be excluded from receiving a better offer message because:

- any approach to calculate the annual total cost of the customer's current plan will not offer customers accurate and clear information, rendering the message not satisfying the comparative information objective set in clause 14 of the draft guidelines
- a better offer message presents a future matter. From the perspective of the Australian Consumer law, such presentation can only be made where there are "reasonable grounds". When a customer is on an energy plan that includes a tariff linked to the spot price, it is unclear whether any approach taken to present the better offer message will have reasonable grounds to make a representation. A customer may end up with a negative better offer in one month and a contradicting positive message the next time due to the volatility of spot prices.

Submission of pricing information to Energy Made Easy in relation to energy plans that include a tariff linked to the energy spot price should follow a prescribed and consistent approach

The purpose of Energy Made Easy is to assist small customers compare retail offers. Energy Made Easy current functionality supports meeting this objective in relation to fixed pricing energy plans. However, in relation to energy plans that include a tariff linked to the energy spot price, it is neither effective nor practical to change the functionality of EME to accept 5-minute data for 12 months. Without clear direction on how the price of such energy plans is to be presented in Energy Made Easy, it will be left to individual retailers to come up of their own methodologies. This will lead to information presented to customers that is not based on a consistent methodology and will defeat the purpose of assisting customers comparing retail offers.

We submit that the AER Retail Guidelines should prescribe the approach retailers must take when entering pricing information to Energy Made easy in relation to energy plans that include a tariff linked to energy spot price. This will provide consistency, transparency and clarity in allowing customers to be able to compare energy plans with confidence

We recommend the following approach when calculating the variable price that reflect the tariff component linked to the energy spot price:

1. calculated as the weighted average energy spot price over the 12 calendar months preceding the month the energy plan is submitted to energy Made Easy;
2. weighted by the representative customer total usage and load profile as determined by the AER in its DMO determination for the relevant distribution area for the relevant financial year; and
3. accounted for any adjustments linked to the spot price, such as cost and effect of caps, charges or credits to provide price protection, etc

Clarifications are sought on some matters in the draft guidelines

Deemed better offer definition

The draft guideline defines a deemed better offer as a generally available plan offered by the retailer that is, among other things, "applicable to the customer at the time of calculation".

It would be helpful if the AER could clarify, with examples, the types of energy plans that may be considered "not applicable" to a customer at the time of calculation. For example, would a plan available only to new customers be regarded as not applicable to an existing customer and therefore excluded from the calculation?

This clarification is important because including a new customer only offer could prevent the better offer message from identifying a cheaper plan that the existing customer is actually eligible to take up, potentially reducing its usefulness.

Duplication in Tier 1 information

Clause 59(a) of the draft guidelines provides that Tier 1 information must include a link to Energy Made Easy website, similar provision to clause 40(i) of existing in Better Bills Guideline and taking the form:

“Compare plans from other retailers at Energy Made Easy www.energymadeeasy.gov.au”

Clause 20(d) of the draft guidelines provides that where a deemed better offer is not available, the better offer message must include a clear and simple instructions on how the customer can compare other plans, also similar to the provision in clause 63(d) of the existing Better Bills Guideline

This will result in repetitious information, where a deemed better offer is not available. In accordance with the AER’s “Better Bills Guideline compliance review – key findings and industry guidance” letter issued on 1st October 2024, repetitious, unnecessary or duplicative information would not abide with the design principles. We suggest that the AER should remove clause 20(d) from the Final AER Retail Guidelines

If you have any questions about this submission, please contact Nabil Chemali Senior Manager Regulation & Commercial, at [REDACTED]

Yours sincerely



John McCluskey
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GloBird Energy