



22 September 2021

Australian Energy Regulator
Consumer Policy Team, Attn. Mark Feather
GPO Box 3131
Canberra ACT 2601

Via: ConsumerPolicy@aer.gov.au

Dear Mr Feather

Developing the Better Bills Guideline

CitiPower, Powercor and United Energy welcome the opportunity to comment on the Australian Energy Regulator's (AER) consultation relating to 'Developing the Better Bills Guideline'.

We support simplification of energy bills so households and small businesses can more easily manage their energy usage and costs, and find the best energy deal. As the energy market becomes increasingly complex and transition to a greater use of renewables, we support initiatives that strengthen the ability of customers to make informed choices and decisions.

We therefore recommend the AER consider the following matters in its forthcoming guideline:

- provide greater transparency of each component of a customer's energy bill i.e. specifically disclosing network tariffs and other supply components as distinct from the retail offer
- display the national meter identifier (NMI) of the customer on the front page of the bill
- increase education initiatives to customers on the roles and responsibilities of each stakeholder in the energy market.

These matters are discussed below.

Greater transparency of the components the energy bill

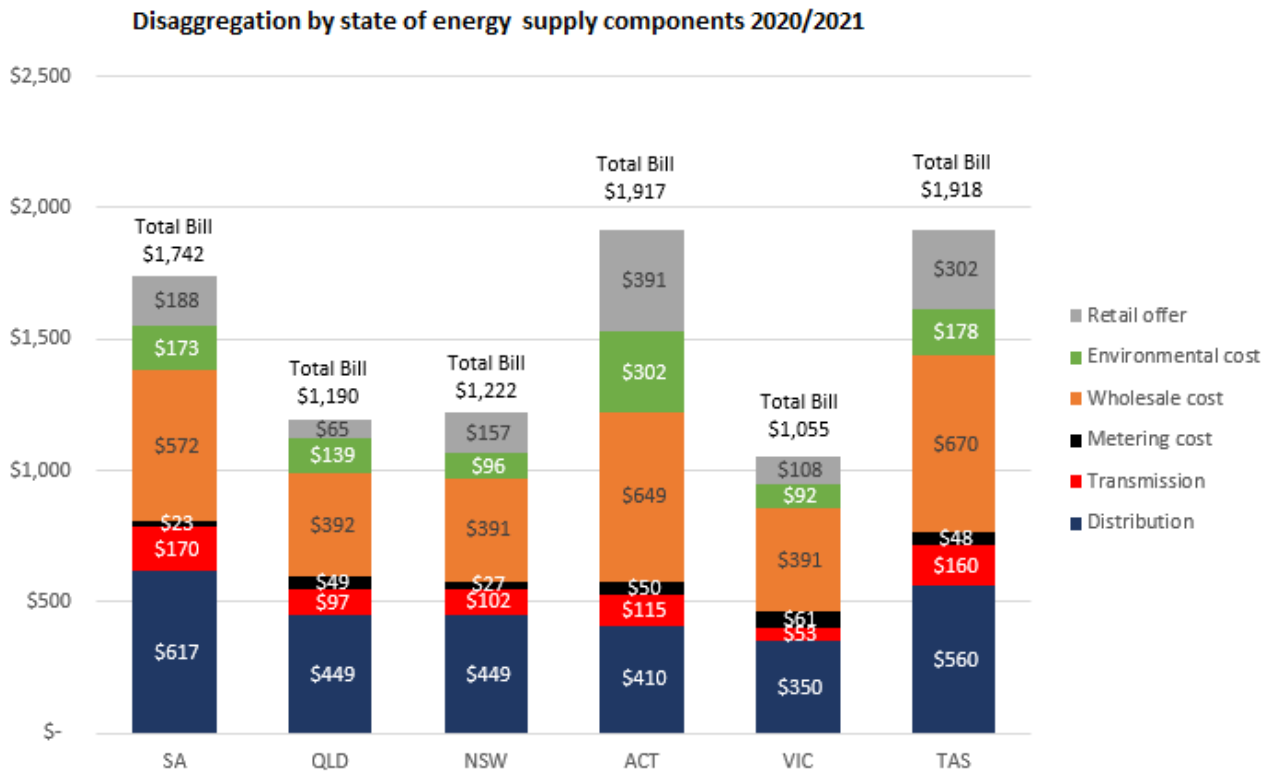
We commend the AER's engagement of the Behavioural Economics Team of the Australian Government (BETA) to test consumer comprehension and opportunities to improve energy bills. However, there does not appear to be any discussion on what actually drives the costs of supplying their energy.

We encourage greater transparency of the costs in customers energy bills to show the disaggregation between the retailer offer, and various other energy supply components. This information is available from the Australian Energy Market Commission (AEMC) website and will allow consumers to better understand the proportion of their energy bill contributed to by each of the energy supply chain components. We see this of value, even if averaged over a year, to ensure customers have the ability to differentiate facts from marketing.

Though available, customers are unlikely to be aware of this and therefore it should be provided to them to allow more informed choices. It will also assist retail contestability if customers understood better what parts of their bill they can, and can't, control. Figure 1 below depicts the disaggregation of the energy supply components by state for the 2020/2021 period.

Referring the customer to the AEMC's website may also allow customers to understand the costs of environmental initiatives, such as feed-in tariffs and the small-scale renewable energy scheme (SRES). Customers may appreciate the support they provide towards the renewable transition, or be encouraged to undertake actions to try and benefit from them, such as installing solar panels.

Figure 1



Source: <https://www.aemc.gov.au/news-centre/data-portal/price-trends-2020>

This information could be included together with the energy bill once per year, to ensure consumers were aware of what was driving their energy costs.

Clarity of the NMI

We consider the NMI should be clearly displayed on the front page of all retailer bills. The NMI is a unique identifier of the customer that is used by distributors and retailers in the National Electricity Market.

Customers are likely to utilise their NMI when contacting their distributor to discuss a potential fault; a retailer to discuss their retail offer, or use on a comparison website such as Victorian Energy Compare to extract usage data from their distributor to then identify the best retailer offering to suit their usage profile.

Better education on stakeholder roles in the energy market

As the energy markets become more complex as a result of the Post 2025 NEM reforms, there will be an increasing number of customers who may not understand or fully appreciate contracts or agreements they are entering. The electricity market is rapidly evolving with new players emerging, such as market aggregators and new retailers, offering products that expose customers directly to wholesale electricity prices or are committing the customers to ancillary markets they do not comprehend.

We therefore believe that the energy bill should provide greater information and education to the community on the roles that each market participant plays in the delivery of energy to and from the consumer.

Should you have any queries, please contact Elizabeth Carlile on [redacted] or [redacted]

Yours sincerely,

Brent Cleeve
Head of Regulation
CitiPower, Powercor and United Energy