

23 July 2019

Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

By email: RPIGconsultation@aer.gov.au

AER Reference AC 86/19

Dear Sir/Madam

Re: Draft AER Retail Pricing Information Guideline

Thank you for the opportunity to contribute to the Australian Energy Regulator's (AER) consultation on the Draft Retail Pricing Information Guidelines.

Momentum Energy is a 100% Australian-owned and operated energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland, the ACT, and on the Bass Strait Islands. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest producer of renewable energy.

General

The AER has chosen to extend the remit of the Draft Retail Pricing Guideline (RPIG) to cover additional aspects of the newly introduced Electricity Code. The RPIG formerly focused on managing how retailers presented offers for the Energy Made Easy comparator website. While section 61(3) of the NERL appears to permit this extended coverage it has complicated the application of the RPIG.

Consequently the Draft Retail Pricing Guideline is quite disjointed with many duplicated sections and references to specific exclusions with its three parts:

1. Part A - applicable to Electricity Retailers in Non- Electricity Code Distribution Regions and Gas Retailers;
2. Part B - applicable to Electricity Retailers operating in Electricity Code Distribution Regions; and
3. Part C – Common requirements.

Parts A and B have similar sections but the detail of some provisions are significantly different with the recent introduction of the Electricity Code (covered under current Part B). Part C covers the general items that are common to both Part A and Part B although the glossary now covers all terms many of which are only relevant to either Part A or Part B.

Momentum is of the view that the guide is now a difficult read and not conducive to best practice regulation. We believe it should revert to deliver its former objective of providing guidance on how retailers present their market and standing offers for the Energy Made Easy website. Alternatively it should be separated into two individual documents covering the Non-Electricity Code/gas and Electricity Code applicable regions. This would enhance reader comprehension and support inevitable changes to the recently released Electricity Code. It will also allow readers to only focus on the obligations and terms which are applicable to their particular business operation.

Specific Issues with the Draft Pricing Information Guideline

1. Section 4.7 - Lowest possible price

We note that in this Guideline under Section 4.7 Language Requirements for Part B that terms such as “annual price” or “annual bill” are prohibited terms for describing the lowest possible price that a representative customer will pay for each product. Whereas under the ACCC Guide to the Electricity Retail Code advertisement examples 5, 7, 8 & 11 make reference to the “*lowest annual price*” to describe the lowest price a reference customer will pay for their electricity. We believe that customers should receive consistent communications via all mediums and therefore urge the AER to seek amendments to the ACCC Electricity Retail Code.

2. Section 4.6.2 Item 128 – Guaranteed discounts / Unconditional percentage

This section covers matters related to unconditional discounts and makes no reference to the terms “guaranteed discounts” or “percentage” therefore we suggest that the heading should be amended to “Unconditional discounts”.

Should you require any further information with regard to these issues, please don't hesitate to contact me on 0478 401 097 or email randall.brown@momentum.com.au

Yours sincerely

[Signed]

Randall Brown
Regulatory Manager