14 September 2022

Ms Lauren Taborda
Adviser
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Dear Ms Taborda,

Delaying implementation of the AER Billing Guideline

The Public Interest Advocacy Centre (PIAC) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Consultation Paper *Delaying implementation of the AER Billing guideline***.** Given that the Australian Energy Regulator's (AER) Better Bills Guideline (the Guideline) has significant benefits for consumers, we are disappointed that its implementation might be delayed.

PIAC recommends the AEMC consider alternatives to a blanket delay to implementation, and ensure any delays are based on an assessment of the consumer interest.

The Bill Contents and Billing Requirements rule change and subsequent Guideline was developed because energy retailers were deemed not to be adequately promoting the best interests of their consumers by ensuring easy-to-understand energy bills. Any delay implementing the Guideline, particularly in the current circumstances of rising energy bills and bill-shock, should be based on robust evidence that such a delay is in the interest of consumers.

PIAC appreciates that there are a number of internal and external processes and pressures that might reduce retailers' ability to comply with the Guideline in full by 31 March 2023 and that for some retailers a time extension might help them save costs, for example by implementing related IT projects simultaneously.

However, in their Rule Change Request, we note that the Australian Energy Council (AEC) gives no assurance that cost savings will be realised and passed on to consumers, only that:

> A six-month delay will allow retailers enough time to re-optimise their implementation schedule, enabling them to mitigate economy wide challenges, and ultimately, *should see* implementation costs reduce as compared to the status quo, *potentially* reducing flow on impacts for consumers. [emphasis added].

The AEC did not provide any indication about what possible savings there will be for consumers if there is a six month delay, only 'that the costs will be lower than they otherwise would if the final implementation date remained on 31 March 2023'. This rule change

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consultation process should ensure the AEMC is provided with robust evidence regarding the savings that would be made and a level of confidence these savings will be passed on to consumers.

PIAC recommends considering whether there are aspects of the Guideline (such as Part 4) which are more problematic to implement by the current deadline, with a six month extension only required for those sections. For example, it may be that only minor IT changes would be required by retailers to comply with sections 12 to 15 and possibly also 16 to 20. PIAC considers Sections 12 through to 20 of the Better Bills Guideline to be prerequisites of fair billing that energy retailers should already be complying with, in the interests of better serving their consumers.

Alternatively, the AEMC could consider if it is appropriate for individual retailers to request an extension that is accompanied by evidence as to why it is required and in the interests of consumers. This step would ensure that those retailers who do not require an extension could proceed with Guideline measures and start providing benefits to their consumers sooner, while recognising that for some retailers the short-term costs may reasonably outweigh the immediate benefits.

PIAC welcomes the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth.

Yours sincerely

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