

11 September 2014

Mr John Pierce
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Pierce,

RE: Draft Rule Determination National Energy Retail Amendment (Retailer price variations in market retail contracts) Rule 2014 (Reference: RRC0001)

Thank you for the opportunity to comment on the Australian Energy Market Commission's (AEMC) Draft Rule Determination - National Energy Retail Amendment (Retailer price variations in market retail contracts) Rule 2014 (Draft Rule). We are members of the Energy Retailers' Association of Australia and support the submission made by the Association.

Simply Energy supports the AEMC's draft decision to reject the Rule change proposed by the Consumer Action Law Centre (CALC) and Consumer Utilities Advocacy Centre (CUAC). As highlighted in our submission to the Consultation Paper, the proposed Rule change would have either increased prices unnecessarily or reduced the range of contracts available in the market and thus reduced customer choice. Neither of these outcomes would have been in the long term interests of energy consumers.

We are disappointed that the AEMC has chosen to add to the regulations when the consumer research undertaken for this review demonstrates that most retailers already advise customers that the prices they pay could vary.¹ We also note that the consumer research demonstrated that despite their hopes to the contrary, consumers realistically expected prices to vary in practice.² The additional regulation appears unnecessary and the need for it remains unsubstantiated.

We note the AEMC's observations on the information requirements prescribed by the Australian Energy Regulator (AER). As we noted in our submission to the Consultation Paper, we consider the information that consumers must confront when deciding upon an energy contract is overwhelming and any simplification of the requirements would improve customer understanding. We look forward to participating in the AER's consultation processes.

Please contact me on (03) 8807 1132 if you wish to discuss this submission with me.

Dianne Shields
Senior Regulatory Manager

¹ AEMC 2014 Fact Sheet: Research on Consumer Experiences of Energy Price Changes, p. 2.

² *ibid*