



420 Flinders Street, Townsville QLD 4810
PO Box 1090, Townsville QLD 4810

ergon.com.au

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Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Sir/Madam

Consumer protections in an evolving energy market: Traditional sale of energy – 2020 Retail energy competition review – Issues Paper 2.

Ergon Energy Queensland Pty Ltd (Ergon Energy Retail) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) in response to the *Consumer protections in an evolving market: Traditional sale of energy – 2020 Retail energy competition review – Issues Paper 2*.

Ergon Energy Retail's detailed comments in response to the AEMC's consultation questions are provided in the attached table.

Should the AEMC require additional information or wish to discuss any aspect of this submission, please contact me on (07) 3851 6787 or Laura Males on (07) 4432 8222.

Yours sincerely

A handwritten signature in cursive script that reads 'Trudy Fraser'.

Trudy Fraser
Manager – Policy and Regulatory Reform

Telephone: (07) 3851 6787 / 0467 782 350

Email: trudy.fraser@energyq.com.au

Encl: *Ergon Energy Retail comments to consultation questions*

Consumer protections in an evolving market: Traditional sale of energy – 2020 Retail energy competition review – Issues Paper 2

Consultation Paper Feedback Question	Ergon Energy Retail Comment
Issue 1: Information provision in the contents of bills	
<p>Are the current requirements for the information and delivery of information that is required to be included on restricting innovation and digitalisation? If so, what changes would allow innovation to occur?</p>	<p>Ergon Energy Retail considers that current requirements are restricting innovation and digitalisation. Customers should be offered greater choice in how they can interact with their retailer, including provision of bills via digital means such as short message service (SMS), instant message, mobile phone application, etc.</p> <p>Further, Ergon Energy Retail has received feedback from customers and representatives that aspects of current bill information requirements create confusion for customers. For example, “Compare electricity use in your area” graphics using houses (and household demographic).</p>
Issue 2: Forms of regulation (bills)	
<p>Does the current form of regulation of information provision restrict innovation and digitisation? If so, what form of regulation - the mechanism employed – could be introduced? For example, could industry self-regulation or principle-based regulation better facilitate innovation and digitalisation?</p>	<p>Ergon Energy Retail considers that principle-based regulation is likely to facilitate innovative solutions that are more customer-focused rather than regulatory-driven design. For example, enabling innovation in the form of bill delivery (including notifications via SMS or instant messaging) may overcome issues with email billing and improve customers’ engagement with their retailer.</p>
Issue 3: Notifications	
<p>Do the current requirements on delivery of information of notifications to consumers restrict innovation and digitalisation? If so, what changes would allow these to occur?</p>	<p>Refer to response to Issue 2.</p>

Issue 4: Forms of regulation (innovation)

Does the current form of regulation of information provision restrict innovation and digitalisation? If so, what form of regulation – the mechanism employed – could be introduced? For example, are industry self-regulation or principle-based regulation appropriate methods of regulation?

Refer to response to Issue 1.

Issue 5: Explicit informed consent in a digitalised market

Is the current method prescribed in the NECF for retailers to record EIC restricting innovation and digitalisation? If so, how could it be changed to allow these to occur?

Current explicit informed consent (EIC) requirements are costly to maintain and restrict innovation, particularly in relation to digitalisation, in the way retailers can obtain, and customers can provide, EIC. Feedback from customers suggests that most would prefer to click through approval rather than being forced to listen to long and repetitive scripts to give EIC.

Issue 6: Temporary explicit informed consent waiver

Should energy consumers be able to waive EIC for certain services for a given time period?

Ergon Energy Retail notes the AEMC's position that EIC is an important element in electricity retail contracts. Given the challenge for customers and retailers to overcome actual or perceived complexity in retail products and services, waiving EIC for certain products or services will still require a determination that EIC remains appropriate for some products or services. Ergon Energy Retail seeks further detail, including examples, of circumstances where EIC could be waived temporarily and how this would be administered.

Issue 7: Explicit informed consent, innovation and digitalisation

Are the current provisions that require retailers to have a record of EIC restricting innovation and digitalisation?

As explained above in response to Issue 5, current EIC requirements are restricting innovation. Feedback from customers suggests they prefer simplicity over complexity and that retailers provide solutions which are less onerous and easier

<p>If so, how could these be changed to allow these to occur?</p>	<p>for them to manage. For example, greater flexibility in providing EIC could enable them to click through approval rather than being forced to listen to long and repetitive scripts. Such an approach would deliver a better customer experience as they spend less time on the phone, which also benefits the retailer.</p> <p>Ergon Energy Retail suggests that future provisions permit the use of digital signatures or allow customers to accept before reviewing terms and conditions in their own time.</p>
<p>Issue 8: Explicit informed consent delegation on a third party</p>	
<p>Should energy consumers be able to provide EIC to a third party to interact with the retail market on their behalf? If so, what arrangements should be in place?</p>	<p>Ergon Energy Retail considers that consumers should be able to provide EIC to a third party to act on their behalf if authority can be documented.</p>
<p>Issue 9: Cooling-off period under the NECF</p>	
<p>Are cooling-off period protections for solicited retail market contracts still beneficial? If so, why? If not, what improvements could be made?</p>	<p>Ergon Energy Retail provides no comment.</p>