

16 August 2018

Ms Anne Pearson
Chief Executive
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Anne

AEMC Reference RRC0015 – Draft Rule Determination for the National Energy Retail Amendment (Advance notice of price changes) Rule 2018

Thank you for the opportunity to comment on the draft rule determination for the Advance notice of price changes.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers. EWON receives and responds to complaints from customers of exempt sellers. Our comments are informed by these complaints and also from our community outreach and stakeholder engagement activities.

Consumers will benefit from receiving advanced notice of price changes under the proposed draft rule. However, we note that the draft rule does not require an advance notice of a price change to reference the Energy Made Easy website. This appears to be largely due to concern about the potential to confuse consumers because of timing differences between the date at which customers are notified their rates are changing under the advance notice, and the date at which offers must be updated on Energy Made Easy.

In our initial submission, we outlined a number of situations where energy customers may be disadvantaged by delayed notice of a price change. The examples we provided were based on recent complaints we have received from energy consumers. In two of the case studies in our previous submission (case studies 4 and 5), the customers complained to our office that had their retailer provided them with notice of the price change, at the time it had taken affect, they would have shopped around for a better energy plan.

As noted in our previous submission, it is our experience over many years dealing with complaints from energy consumers, that increases in energy prices results in an increase in complaints to our office. This fact indicates that many consumers become engaged when faced with an increase in energy costs, either through shopping around for a better deal or taking greater notice of subsequent energy bills.

This is also evidenced by the complaints that we receive following a price increase are about high energy bills. Many of these customers have not linked an increase in the price they are paying to the unexpectedly high energy bill.

We also find that there is low awareness of the Energy Made Easy website among customers that complain to our office. This lack of awareness about Energy Made Easy is also reflected in the discussions we have with energy consumers through our extensive community engagement program, including events such as our Bring Your Bills days.

Therefore drawing attention to a price comparator such as Energy Made Easy may help many energy consumers to better engage with the energy market before they receive that higher than expected energy bill. EWON strongly believes that advance notice of price change provides a critical opportunity to increase consumer awareness of the Energy Made Easy website. The benefit of increasing awareness of this service would outweigh any potential confusion caused by a delay in updating the Energy Made Easy website. Confusion could be mitigated by providing advice that Energy Made Easy would be updated with new plans within X days.

Further, establishing a requirement to reference the Energy Made Easy website in advance notices of price changes now would create incentive for the Australian Energy Regulator and industry to quickly address any inconsistencies with the Retail Pricing Information Guideline that may confuse consumers.

If you would like to discuss this matter further, please contact me or Rory Campbell, Manager Policy and Research, on (02) 8218 5266.

Yours sincerely



Janine Young
Ombudsman
Energy & Water Ombudsman NSW