

# Queensland Competition Authority

Submission to the Australian Energy Regulator

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## Submission on the AER draft retail pricing guidelines

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March 2018

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## ABOUT THIS SUBMISSION

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The Queensland Competition Authority (QCA) welcomes the opportunity to provide a submission to the Australian Energy Regulator (AER) on its draft retail pricing information guidelines. The QCA considers that benefits from competitive markets are best achieved when customers are able to confidently engage in the market, with clear and reliable information. The AER's Energy Made Easy price comparator website and the Energy Price Fact Sheets are critical to supporting customer engagement in the retail electricity market.

The Energy Made Easy website is the single most comprehensive source of data and information regarding electricity retail offers; it therefore offers value to customers engaging in the market and also to jurisdictional regulators undertaking analytical work to inform governments' broader policy objectives.

The QCA has recently published two reports monitoring the retail electricity market for south east Queensland (SEQ) for the 2016–17 financial year. The first report provides information on the solar feed-in tariffs offered to residential and small business customers with solar photovoltaic installations in SEQ, and the electricity prices offered to solar customers. The second report presents the results from monitoring the operation of the SEQ retail electricity market for residential and small business customers. This market monitoring report provides information on a wide range of matters relating to retail offers (market and standing offers), including prices, discounts and fees, customer switching from standing offers, and prices paid by hardship and electricity rebate customers.

The basis for much of the QCA's analysis for the solar feed-in tariff and market monitoring reports is data and information extracted from Energy Made Easy. Based on our experiences, we offer the comments in this submission regarding potential improvements to Energy Made Easy, with a view to improving the comprehensiveness, comparability and quality of information in retail offers, for the benefit of customers.

### Contact

Enquiries regarding this submission should be made via our website ([www.qca.org.au/Contact-us](http://www.qca.org.au/Contact-us)) and addressed to Shannon Murphy.

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# 1 PRINCIPLES

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## 1.1 Comprehensive resource

Energy Made Easy is an important and impartial resource for customers seeking to engage in the retail electricity market. Unlike other comparator websites, such as iSelect and Energy Watch, it offers information on retail offers from the full range of retailers participating in the market.

We consider that Energy Made Easy is also of great value to jurisdictional regulators, who are able to extract data and information for analysis and reporting. For example, the Essential Services Commission of South Australia uses data and information from Energy Made Easy for its energy retail offer comparison reports<sup>1</sup>, as does the QCA for its solar feed-in tariff and market monitoring reports.<sup>2</sup>

Regulatory bodies, including the QCA, rely on Energy Made Easy as a central repository of relevant data and information to analyse the general level of competition, price movements, discounts, fees and charges, in the retail electricity market.

Should new technology offerings progressively become part of retail offers, the function and performance of Energy Made Easy as a comprehensive resource of retail offers may become more vital.

## 1.2 Quality assurance

High quality data and information should underpin Energy Made Easy and Energy Price Fact Sheets—either in their existing form or in a new structure as proposed in the Draft AER Retail Pricing Information Guidelines (draft guidelines).<sup>3</sup> The QCA recognises that while retailers are ultimately responsible for the quality of data and information used as an input into Energy Made Easy, there are a number of safeguards that the AER can put in place to limit errors or inconsistency.

For example, limiting the range of free text options for retailers to describe their retail offers is one such approach. We have found inconsistencies in the type and clarity of information provided by retailers across a number of fields in Energy Price Fact Sheets. In particular, the price variations, additional fees information, terms and conditions, and contract expiry (where benefit periods information is stated) fields often contain information which is difficult to compare across retailers. In place of free text options, the AER could broaden the range of predetermined input fields available to retailers to describe their retail offers. We consider that this approach may also help to automate some error checks.

In our submission on the AER's Customer Price Information Issues Paper (issues paper), we outlined some examples that demonstrate this point, especially in relation to the treatment of GST on fees, charges and solar feed-in tariffs. We note that the quality control clauses in the draft guidelines are substantially the same as the requirements in the current guidelines.<sup>4</sup> That is,

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<sup>1</sup> See ESCOSA's Energy retail offers comparison reports, published in August each year.

<sup>2</sup> The QCA's solar feed-in tariff and market monitoring reports are available from the electricity page of the QCA's website, <http://www.qca.org.au/Electricity>.

<sup>3</sup> AER 2018, *Draft AER Retail Pricing Information Guidelines Version 5.0*, January [AER 2018a].

<sup>4</sup> AER 2018a, clauses 24–27; AER 2015, *AER Retail Pricing Information Guidelines, version 4.0*, August, section 5.2 [AER 2015].

retailers would retain responsibility for ensuring the accuracy and currency of offers on Energy Made Easy. We remain of the view that our suggestions would, if implemented by the AER, improve the quality assurance—and hence comparability—of offer information on Energy Made Easy.

We consider that limiting the range of free text options for retailers on Energy Made Easy should be considered as part of the AER's project to enhance Energy Made Easy.<sup>5</sup>

### 1.3 Comparability

The value to customers of Energy Made Easy lies in its scope to compare all relevant retail offers from retailers participating in the market.<sup>6</sup> Enabling customers to easily compare a range of retail offers, subject to their preferences, should increase their confidence to engage in the market and to pursue competitive retail offers on a more regular basis.

The ease and clarity of comparing retail offers should be a guiding principle to any future enhancements to Energy Made Easy, or any other complementary tool the AER develops to support the customer decision making process.

In our submission on the issues paper, we identified a number of ways Energy Made Easy could be improved to better support this principle. We also stated that better quality data and information supplied by retailers could also support the comparability of retail offers.

We consider that the AER's proposal to replace Energy Price Fact Sheets with Basic Plan Information Document and a Contract Summary (the draft energy plan documents)—and removing the ability for retailers to develop their own documents<sup>7</sup>—will improve the comparability of offers. However, we remain concerned that retailers' inconsistent use of language and terminology in their offers will continue to constrain the comparability of offers. To this end, we acknowledge the improvements to language and terminology the AER is proposing for the draft energy plan documents, and support the AER's proposal to undertake a more comprehensive review of language in the energy sector in future.<sup>8</sup>

We also support the AER's project to enhance Energy Made Easy, and consider that some of our suggestions could be included in the scope of that project.

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<sup>5</sup> AER 2017, 'Improving energy market information for consumers', news release, 26 September. The news release is on the AER website, <https://www.aer.gov.au/news-release/improving-energy-market-information-for-consumers>.

<sup>6</sup> For example, the Australian Energy Market Commission identified 29 flat rate standing offers and 52 flat rate market offers on Energy Made Easy as at 5 January 2017. See AEMC 2017, *2017 AEMC Retail Energy Competition Review*, final, July (page 228).

<sup>7</sup> AER 2018, *Notice of Draft Instrument: AER Retail Pricing Guidelines Version 5*, January, section 3.2.1 [AER 2018b].

<sup>8</sup> AER 2018b, section 3.5.

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## 2 QCA COMMENTS

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### 2.1 Solar feed-in tariffs

#### Submission on issues paper

In our 2016–17 solar feed-in tariff report, we found that the highest feed-in tariff did not provide the lowest net overall bill in the scenarios we modelled. In particular, solar customers who import a large amount of electricity and export a relatively small amount of electricity may find that a retail offer with cheaper prices for electricity imports (i.e. variable usage charges) would be best for them, even if it does not offer the highest feed-in tariff.<sup>9</sup>

Solar customers would benefit from Energy Made Easy providing an option for them to estimate their net bill, inclusive of revenue from solar exports. At present, solar customers must manually calculate this net bill. Given that a solar customer's total bill is the total of fixed, variable and other charges, less the amount received for feed-in tariffs, being able to estimate the net bill inclusive of solar exports is an important consideration in selecting the most suitable retail offer.

We note the Victorian Energy Compare website includes options allowing customers to select the type of feed-in tariff (for example, where the government offers, or sets, a minimum feed-in tariff) as well as the kilowatt capacity of the photovoltaic (PV) installation. These inputs are used to calculate the total bill amount for the list of retail offers.<sup>10</sup>

Improving Energy Made Easy to include specific solar options, and calculate net electricity bills, would help solar customers to compare and choose the best deal for them.

#### AER draft guidelines

In its Notice of Draft Instrument: AER Retail Pricing Information Guidelines (notice of draft guidelines), the AER noted the QCA's support for allowing solar customers to input their net bill inclusive of revenue from solar exports on Energy Made Easy.<sup>11</sup>

#### Submission on draft guidelines

The notice of draft guidelines does not accurately summarise our submission on this point. Our submission was, and remains, that customers would benefit from being able to input feed-in tariff and PV capacity data into Energy Made Easy, and for the website to account for this data in its estimation of net bills.

We also note that the Queensland Council of Social Service (QCOSS), in its submission on the issues paper, commented on the need for solar customers to be able to enter their kilowatt hour exports to get a 'more realistic' picture of prices across offers.<sup>12</sup> Similarly, the Independent Pricing and Regulatory Tribunal (IPART), in its retail energy market monitoring report for 2016–17, described Energy Made Easy as being of 'limited help' to customers with solar panels, as it does

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<sup>9</sup> QCA 2017, *Solar feed-in tariff report 2016–17*, final report, October [QCA 2017a].

<sup>10</sup> Victorian Energy Compare website, <https://compare.switchon.vic.gov.au/>.

<sup>11</sup> AER 2018b, Appendix A (summary of QCA submission).

<sup>12</sup> QCOSS 2017, *Customer Price Information – Submission to the AER Issues Paper*, page 9 [QCOSS 2017]. We note that the AER's summary of QCOSS's submission accurately reflects QCOSS's submission on this point.

not account for customers' consumption from PV units, feed-in tariffs and metering arrangements.<sup>13</sup> We agree with IPART and QCOSS on this issue.

We request that the AER respond to our position that Energy Made Easy should be improved to allow customers to input their solar feed-in tariff and PV capacity information to calculate bills.

## 2.2 Discounts

### 2.2.1 All market offers

#### Submission on issues paper

In our 2016–17 market monitoring report, we stated that discounts for market offers in SEQ were clearly stated in terms of what they are based on—usually the variable usage charge. However, the different daily supply and usage charges of a retailer could make it difficult and/or time-consuming for customers to determine the value to them of various discounts. For customers to make an informed choice regarding the most suitable market offer, they would need to consider:

- their current and future consumption levels
- solar feed-in tariffs and their export levels (if applicable)
- discount benefit periods
- incentives (e.g. sign-up incentives)
- their willingness and ability to meet conditions attached to discounts
- fees and charges attached to offers.<sup>14</sup>

We have also found that retailers provide different information on their discount benefit periods on Energy Made Easy. We consider that all retailers with discounts attached to their market offers should clearly identify on Energy Made Easy the benefit periods attached to each market offer, as well as identify where customers can obtain any additional information about the benefit periods. This would improve the comprehensiveness of information on Energy Made Easy and the comparability of market offers.

#### AER draft guidelines

The notice of draft guidelines acknowledges that retailers' discounting practices can lead to customer confusion and customers can potentially be misled about the value of a discount.<sup>15</sup> The notice also states that retailers' use of the term 'benefit period' will be included in the proposed review of language.<sup>16</sup>

#### Submission on draft guidelines

However, the draft guidelines do not propose any changes to the draft energy plan documents which would ensure that all retailers with discounts attached to their market offers clearly and

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<sup>13</sup> IPART 2017, *Review of the performance and competitiveness of the retail electricity market in NSW*, market monitoring report, December.

<sup>14</sup> QCA 2017, *SEQ retail electricity market monitoring: 2016–17*, market monitoring report, November [QCA 2017b], section 3.4.3.

<sup>15</sup> AER 2018b, section 3.3

<sup>16</sup> AER 2018b, section 3.5.

consistently identify on Energy Made Easy the benefit periods attached to each market offer, as well as identify where customers can obtain any additional information about the benefit periods.

We also note that QCOSS's submission on the issues paper referred to its projects to educate small customers, including low income and disadvantaged consumers, on electricity deals; QCOSS reported that the use of consistent terminology *across all retailers* would facilitate shopping around.<sup>17</sup> We agree with QCOSS's submission on this point.

We request that the AER respond to our position that all retailers with discounts attached to their market offers should clearly identify, on Energy Made Easy, the benefit periods attached to each market offer, as well as identify where customers can obtain any additional information about the benefit periods.

## 2.2.2 Solar market offers

### Submission on issues paper

Solar customers would be better placed to compare solar market offers if retailers were required to state more clearly how discounts were applied to solar exports. We have found that retailers do not necessarily apply discounts to solar market offers in the same way. For example, while most retailers apply a discount to the total usage, some retailers apply a discount to the net bill amount after solar credits have been subtracted.<sup>18</sup> The effect of discounts on the total bill is likely to be material, given the variable factors of solar export loads and variable usage.

### AER draft guidelines

The draft guidelines do not propose any changes to the draft energy plan documents which would require retailers to provide a uniformly stated explanation of how discounts are applied to solar exports.

### Submission on draft guidelines

We request that the AER respond to our position that retailers should be required to clearly state how discounts apply to solar market offers.

## 2.3 Fees and charges

### 2.3.1 Review of 'key fees'

#### Submission on issues paper

We consider that the guidelines would benefit from providing clearer guidance on how retailers apply 'key fees' that are attached to retail offers.<sup>19</sup> As detailed below, we have found inconsistencies across retailers in how this was applied to retail offers, which we consider makes comparing offers difficult.

Also, in our market monitoring report, we stated some retailers included information on their retail offers on Energy Made Easy referring to the potential for retail fees and charges—other than those listed on Energy Made Easy—to be levied on customers. For instance, some retailers' fee schedules and/or market offer contracts included more information about applicable fees and

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<sup>17</sup> QCOSS 2017, page 5 (emphasis added).

<sup>18</sup> For example, in our solar feed-in tariff report for 2016–17, we noted that Click Energy applied discounts for solar customers to their net bill amount after solar credits have been subtracted (QCA 2017a, section 3.2).

<sup>19</sup> AER 2015, section 3.5.



charges. We consider all retailers should clearly and consistently identify on Energy Made Easy where customers can obtain information on additional retail fees and charges that apply, or may apply, to their retail offers.<sup>20</sup>

### AER draft guidelines

The draft guidelines retain the current requirement that, if a retailer applies any further fees to a plan that are not key fees, they must include, in the information provided to Energy Made Easy, a reference to where a customer can access additional information on these fees.<sup>21</sup>

### Submission on draft guidelines

The draft guidelines do not propose any changes to the draft energy plan documents which would ensure that all retailers clearly and consistently identify, on Energy Made Easy, where customers can obtain information on additional retail fees and charges that apply, or may apply, to their retail offers.

We note that the Energy and Water Ombudsman New South Wales' (EWON) submission on the issues paper raised concerns regarding information on retailers' fees and charges on Energy Made Easy. In particular, EWON noted that:

- the list of fees disclosed in Energy Price Fact Sheets should be consistent and in the same order
- language, such as 'pass through' (in the context of distribution charges) should be explained
- Energy Price Fact Sheets referred customers to the terms and conditions of the contract for full disclosure of fees. This referral was, variously:
  - a link to a retailer's main website
  - a link to actual terms and conditions
  - merely a reference to the terms and conditions, not an actual link.
- this inconsistency makes it difficult to compare and contrast offers.<sup>22</sup>

We consider that EWON's concerns regarding fees and charges in New South Wales are equally relevant to SEQ, and are concerned that inconsistent and unclear disclosure of fees and charges will persist under the proposed form and quality assurance arrangements for the draft energy plan documents. To improve the comparability of fees on offers, the AER could replace the free text in the additional fees information section of the Contract Summary with a predetermined input field.

We request that the AER respond to our position that all retailers should clearly and consistently identify on Energy Made Easy where customers can obtain information on additional retail fees and charges that apply, or may apply, to their retail offers.

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<sup>20</sup> QCA 2017b, section 4.7.

<sup>21</sup> AER 2018a, clause 44; AER 2015, section 3.5.

<sup>22</sup> Energy and Water Ombudsman New South Wales 2017, *AER Reference 62858 – Customer price information Issues Paper September 2017*, submission, page 2.

## 2.3.2 Metering charges

### Submission on issues paper

Customers would benefit from retailers more clearly stating how distribution non-network charges are recovered from customers. We have found retailers are not consistent, or do not clearly state, how these types of fees will be recovered from customers for both solar and non-solar retail offers.

For example, most retailers do not specify on Energy Made Easy whether their daily supply charges include metering charges, nor do they identify metering charges as a separate fee type. We contacted retailers directly for the purposes of the 2016–17 market monitoring report to clarify how metering charges were recovered from customers. We found that all retailers included or absorbed metering charges as part of the daily supply charge.<sup>23</sup>

Retailers should also be required to clearly state, or separately list, the metering charges recovered from customers for controlled load and PV installations. For example, Origin Energy was the only retailer with a separate metering charge for its solar retail offers in 2016–17.<sup>24</sup>

The current guidelines do not provide guidance on metering charges. They do, however, identify other distribution non-network charges, such as reconnection and disconnection fees, as a key fee that retailers must specify on Energy Made Easy.<sup>25</sup> In our 2016–17 market monitoring report, we found that some retailers in SEQ did not include reconnection and/or disconnection fees in their offers on Energy Made Easy.<sup>26</sup>

### AER draft guidelines

The draft guidelines add metering fees into the list of key fees that providers must disclose in the Basic Plan Information Document.<sup>27</sup>

### Submission on draft guidelines

We consider that adding metering fees to the list of key fees may facilitate retailers providing information on any fees associated with the Power of Choice arrangements which commenced on 1 December 2017.<sup>28</sup> We also note that metering fees will vary depending on customers' meter types (type 6 and type 4) and this will also need to be clear on Energy Made Easy.

Our submission on the issues paper related specifically to retailers including type 6 metering service charges in their daily supply charges, but not disclosing their approach on Energy Made Easy.<sup>29</sup> For example, in our 2016–17 market monitoring report, we reported that only AGL and Powerdirect noted—in some of their offers published on Energy Made Easy—that the daily supply

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<sup>23</sup> QCA 2017b, sections 2.3.3 and 10.5.1. Details of Energex's metering charges for 2017–18 are available in Energex 2017, *Energex Network Tariff Guide 1 July 2017 to 30 June 2018*, June, section 3.5.

<sup>24</sup> QCA 2017a, sections 3.1 and 3.2.

<sup>25</sup> AER 2015, section 3.5.

<sup>26</sup> QCA 2017b, section 2.5.

<sup>27</sup> AER 2018a, clause 46(h).

<sup>28</sup> See AEMC 2015, 'Competition in metering services', information sheet (overview), November. The information sheet is on the AEMC website, <https://www.aemc.gov.au/sites/default/files/content/87a49036-707f-446b-92fb-b333543da21b/Information-sheet-overview.PDF>.

<sup>29</sup> See QCA 2017a, section 3.1; QCA 2017b, sections 2.1.3 and 2.3.3. We have also found one retailer includes metering charges in daily supply charges on its offers in the Ergon Energy distribution area, but does not disclose this on Energy Made Easy.

charge included a metering charge.<sup>30</sup> Therefore, adding metering fees to key fees will not necessarily ensure retailers are disclosing metering charges in a way that is clear and allows for comparability of offers.

We note that QCOSS, in its submission on the issues paper, reported that some participants in its workshops expressed 'dismay and frustration' at capital and non-capital metering charges (on residential flat rate offers) either being included in, or separate to, daily supply charges.<sup>31</sup> Based on our analysis of offers on Energy Made Easy, we consider the participants' reaction to be justified.

We consider that, if the AER does implement the Basic Plan Information Document and Contract Summary approach for the energy plan documents, the Contract Summary should clearly explain how metering charges are levied. This would serve to improve comparability of offers on Energy Made Easy.

### 2.3.3 Payment processing options and fees

#### Submission on issues paper

We have found that retailers do not consistently identify the payment methods available, or not available, on their retail offers. This makes it difficult to compare payment processing options and fees across retail offers and retailers. Customers would benefit from retailers providing clear information on payment options and processing fees. Specifically, we consider that retailers should be required to specify the payment processing options attached to each retail offer, and further, whether any fees are involved for each type of payment.<sup>32</sup>

#### AER draft guidelines

The draft guidelines include payment processing fees in the 'Key facts about this plan' section of the Basic Plan Information Document, with further detail on fees in the Contract Summary. However, the draft guidelines do not propose any changes to the draft energy plan documents which would require retailers to consistently identify all of the payment methods available, or not available, on their retail offers.

#### Submission on draft guidelines

We request that the AER respond to our position that all retailers should consistently identify the payment methods available, or not available, on their retail offers. One option which may achieve this outcome would be for the Basic Plan Information Document to have a 'Payment options' row, in between the 'Contract' and 'Discounts and bonuses' rows.

We consider that including all available payment options and their associated fees on Energy Made Easy would allow customers to identify providers with the lowest fees.

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<sup>30</sup> QCA 2017b, section 2.3.3.

<sup>31</sup> QCOSS 2017, page 10.

<sup>32</sup> QCA 2017b, sections 4.4.1 (for residential offers) and 4.4.2 (for small business offers).

## 2.4 GST treatment

### 2.4.1 Inconsistent application of GST

#### Submission on issues paper

The current guidelines only provide guidance on the application of the GST in relation to fees, and state that where applicable, fee levels should show the GST inclusive amount.<sup>33</sup>

Customers would benefit from retailers providing clear information on how the GST is applied to the various components of an electricity bill. Our analysis of retail offers found that the GST is applied inconsistently to fees, charges and solar feed-in tariffs. For example, some fees are GST exempt, or the GST on a specific type of fee may be treated differently between retailers.

Energy Made Easy would benefit from relatively simple quality assurance measures. This might include restricting the free text fields available to retailers to describe their fees and charges. Instead, retailers could be required to select from predetermined field types to list fees and charges, and to indicate whether the GST applies. This would also act as an error check for retailers' input data.

#### AER draft guidelines

The draft guidelines retain the requirement that fees should be presented on a GST inclusive basis.<sup>34</sup> However, the guidelines do not address our suggestion that quality assurance measures should be put in place to ensure retailers comply with the requirements.

#### Submission on draft guidelines

We request that the AER respond to our suggestion that quality assurance measures be put in place to ensure offers on Energy Made easy comply with the GST treatment requirement in the guidelines.

## 2.5 Controlled load

### 2.5.1 Selecting controlled load retail offers on Energy Made Easy

#### Submission on issues paper

Customers in SEQ would benefit from Energy Made Easy making clear what type of controlled load tariff is attached to retail offers. For example, the list of retail offers generated on Energy Made Easy does not categorise them into 'super economy' and 'economy' controlled load retail offers. This makes it difficult, and/or time-consuming, for customers to compare and choose retail offers with controlled load based on their requirements.

The type of controlled load attached to a retail offer has important consequences for customers, as different controlled load tariffs are suited to different appliances. For example, tariff 31 'super economy' controlled load may be more appropriate for hot water systems that only need to reheat at night, whereas tariff 33 'economy' controlled load may be more appropriate for pool pumps or some heat pump systems.

At present, Energy Made Easy advises users with controlled load tariffs to 'add the usage from the two controlled loads and enter the total in the controlled load box', with estimated bills being

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<sup>33</sup> AER 2015, section 3.5.

<sup>34</sup> AER 2018a, clause 43.

calculated using the cheapest controlled load option. This aggregates use across different tariffs and does not allow customers to choose their preferred controlled load tariff.

### [AER draft guidelines](#)

The draft guidelines do not propose any changes to Energy Made Easy which would allow SEQ customers to compare and choose retail offers with controlled load based on their individual requirements.

### [Submission on draft guidelines](#)

We request that the AER respond to our suggestion that Energy Made Easy be improved to allow SEQ customers to choose their preferred controlled load tariff when comparing offers.

## 2.5.2 [Retailers not clearly defining controlled load offers](#)

### [Submission on issues paper](#)

Our analysis of retail offers found that the naming conventions for controlled load was inconsistent, or not well defined, which made it difficult to compare offers. For example, some retailers distinguished between the two types of controlled load as 'controlled load 1' or 'controlled 2'. Some retailers failed to distinguish between the two types of controlled load completely, and referred to both types as 'controlled load'. We contacted retailers directly, for the purposes of the 2016–17 market monitoring report, to further clarify which type of controlled load ('super economy' or 'economy') the retailer was referring to in their retail offers.<sup>35</sup>

Greater specificity in describing controlled loads on retailers' behalf would improve the comparability of offers for customers, and also act as a quality assurance measure for retailers' input data.

### [AER draft guidelines](#)

The draft guidelines replace references to 'controlled load' with 'separately metered usage' as 'Controlled Load' is not well understood by customers.<sup>36</sup>

### [Submission on draft guidelines](#)

We consider that 'separately metered usage' is a clearer term than 'controlled load' for the controlled load tariffs. However, for SEQ customers, we consider that 'super economy' and 'economy' need to be included in the required terms section of the language requirements.

We also note that QCOSS's submission on the issues paper referred to retailers' use of inconsistent and confusing descriptions—such as Tariff 31, Tariff 33, 'dedicated circuit', 'CLT2', 'Controlled Load', 'Controlled supply (economy)'—for controlled load tariffs being a barrier to customers being able to read their bills. Based on our monitoring of offers in the SEQ retail electricity market, we agree with QCOSS's concerns with the naming of controlled load tariffs on Energy Made Easy.

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<sup>35</sup> QCA 2017b, section 10.5.1.

<sup>36</sup> AER 2018a, clause 62 (Table 2); AER 2018b, section 3.5.

## 2.6 Usage

### Submission on issues paper

Energy Made Easy requires users to input their usage (in kilowatt hours) from a recent electricity bill via a 'Standard (peak/anytime)' field. We suggest the name of this field could be amended to 'Usage in kilowatt hours (kWh)' for greater clarity.

Where consumers do not have an electricity bill, Energy Made Easy asks whether the user would like an estimate to be applied. We note the estimated usage on Energy Made Easy is based on a 2014 survey, and these usage figures are inconsistent with actual usage data reported by distributors. We suggest estimated usage could be based on the most recent data from distributors, where available.

### AER draft guidelines

The draft guidelines do not propose any changes to the naming of the 'Standard (peak/anytime)' field, or use of distributors' data where consumers do not enter their own consumption, on Energy Made Easy.

### Submission on draft guidelines

We request that the AER respond to our suggestions regarding the naming of the 'Standard (peak/anytime)' field, and use of distributors' data where consumers do not enter their own consumption, on Energy Made Easy.

## 2.7 Issues not raised in QCA submission on issues paper

### 2.7.1 Eligibility criteria

The notice of draft guidelines state that:

- the AER currently requires retailers to nominate eligibility criteria for their energy plans. These range from specific (a customer must purchase solar panels from the retailer) to generic (a customer must be in the right distribution zone)
- to enable customers to effectively filter plans on Energy Made Easy, retailers will be required to nominate specific eligibility criteria.<sup>37</sup>

The draft guidelines include two examples of specific eligibility restrictions:

- The plan only being available to member of a particular club.
- Availability being conditional on a customer purchasing a particular product or service – for example, purchasing a smart meter from the retailer or signing on to a retailer rewards program.<sup>38</sup>

We have found that some market offers on Energy Made Easy are only available to customers who sign-up online, or agree to pay their bills using certain methods such as over the internet. We note that QCOSS, in its submission on the issues paper, reported that many older customers have expressed concern at being excluded from certain offers and being charged fees for paper billing and/or paying bills at Australia Post. QCOSS added that customers should be able to 'filter

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<sup>37</sup> AER 2018b, section 3.6.

<sup>38</sup> AER 2018a, clause 48.

out' offers which require email billing or charge for paper bills from Energy Made Easy search results.<sup>39</sup>

We recommend the AER include examples of eligibility criteria for offers that are only available for online customers in the final guidelines. If retailers used these examples, this would improve the comprehensiveness of information on Energy Made Easy, and the comparability of offers.

### 2.7.2 Incentives

The information requirements for incentives in the draft guidelines are substantially the same as the current guidelines.<sup>40</sup> In our market monitoring report for the October to December quarter of 2017–18, we:

- observed that retailers who included sign-up incentives on (some of) their offers variously applied the incentive before or after GST was added to customers' bills
- noted that EnergyAustralia did not state on Energy Made Easy whether or not the \$50 sign-up incentives on its Flexi Saver (Home) offers included GST.<sup>41</sup>

Therefore, to assist the comparability of offers on Energy Made Easy, we consider the final guidelines should require retailers to clearly state whether any sign-up incentives will be applied before or after GST is added to bills.

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<sup>39</sup> QCOSS 2017, pages 11–12.

<sup>40</sup> AER 2018b, clauses 38–41; AER 2015, section 3.4.

<sup>41</sup> QCA 2018, *SEQ retail electricity market monitoring: October to December 2017*, market monitoring report, January, Appendix B.