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Submitted via email: ConsumerPolicy@aer.gov.au

Better Bills Guideline (Version 2)

AGL Energy (AGL) thanks the Australian Energy Regulator (AER) for the opportunity to provide feedback to the draft Better Bills Guideline (BBG) (Version 2) consultation.

AGL supports the proposed amendments to the BBG Version 2 and commends the AER for its ongoing receptiveness to stakeholder feedback. While the AER consults on the next iteration of the BBG, now may also be an appropriate time to consider a number of additional enhancements and clarifications to promote a smoother customer transition to the new bill formats and support the industry implementation and adoption of the BBG.

Plan Summary - Collective Billing Exemption

AGL has previously raised that customers subject to collective billing or multisite invoicing arrangements have substantively different requirements to mass market customers. Billing elements that would benefit small customers, such as plan summary information, may not be relevant, easily communicated or clearly presented for sites or customers who receive collective invoices. These types of billing arrangements are not representative of a typical small customer whose comprehension may be improved by the inclusion of a plan summary as suggested in the BETA research.

Under collective or multisite billing agreements, the retailer and the 'parent' or primary contracting customer (for example, the head office of a retail chain) enter into a bespoke or negotiated contract for the sale and supply of energy to a number of 'child' sites. The parent entity often manages the accounting for the individual sites by receiving and processing the invoices for the child entities (sometimes in the hundreds) subject to the collective billing agreement. Retailers will manage these accounts separately through a dedicated team that can provide comprehensive information about the energy plan or contract directly to the customer.

The obligation to present a plan summary for each individual customer or site contracted under a collective agreement significantly complicates the stream of work and increases costs associated with the back-end design, development and build requirements for the implementation project. Collective invoicing utilises complex logic and algorithms, which will likely require that retailers undertake costly performance upgrades to their IT systems to support the inclusion of a plan summary at scale. It is AGL's recommendation that the AER exclude collective billing customers from the requirement to include a plan summary as the AER had done for the better offer obligations.



Timeframe for considering Section 33 & 34 Applications

When the BBG comes into effect the industry will undoubtedly gain further insights into customer behaviours and new preferences which may require a shift in how customers are presented their bill information. It is important that the framework under Sections 33 and 34 of the BBG can facilitate continuous improvement through a timely application process.

Through AGL's experience with the process, we recommend that the AER introduce a timeframe for considering applications from retailers for the inclusion of additional text or information to the first page of the bill. A review and determination period of 4 to 6 weeks from the receipt of the application may be an appropriate timeframe with an option to extend this period if the AER requires further supporting material. We appreciate that this may involve additional resourcing for the AER, however, we believe that the application process should avoid becoming too protracted to minimise the risk of inhibiting speed to market.

Billing Period

AGL's early-stage customer insights indicate that, when it is not prominently displayed on the first page of the bill, a portion of customers find it difficult to identify the billing period of that invoice. While we acknowledge that customers may adapt to the new bill design over time, the billing period remains a critical piece of information. If customers continue to express confusion and difficulty in interpreting their bills after the commencement of the BBG, it is important that the AER permits some degree of flexibility to display the billing period on the first page. The AER could address this by:

- Making such a determination under Section 37 of the BBG for the inclusion of the billing period among Tier 1 information for retailers or a class of retailers;
- Setting out in the BBG that the 'billing period (date-to-date) and number of days' can be included in either Tier 1 or Tier 2 information on the customer's bill; or
- Introducing a timeframe for the AER's review of applications made under Sections 33 and 34 of the BBG, as noted above, to allow retailers to address any gaps in customer comprehension in a timely manner.

NSW Social Code

During the BBG Draft Determination consultation, AGL raised that retailers may have IT system limitations with respect to performing two separate and distinct better offer calculations for the same customer cohort. This could particularly impact NSW concession card holders who are entitled to a better offer check under the NSW Social Programs for Energy Code (NSW Social Code) as well as the better offer requirements under Part 4 of the BBG.

As AGL understands, a statutory review of the NSW Social Code is intended to take place in 2023 which will likely assess the continued need for *A6.1 - Assistance to residential customers of the Code*. The timing of the review and the duration of the consultation process raises a real possibility that retailers will be left with insufficient time to make the necessary adjustments to their systems and processes prior to the full commencement date of the BBG, meaning that there will be an intersecting period where both better offer calculations will be required. Until a determination is made to amend or repeal the better offer requirements under the NSW Social Code, we encourage the AER to develop an interim solution, such as a moratorium on the better offer requirements for the impacted customer cohort, and work with the NSW Government to resolve the duplication of regulatory requirements.



If you would like to discuss any aspect of AGL's submission, please contact Valeriya Kalpakidis at vkalpakidis@agl.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Con Hristodoulidis'.

Con Hristodoulidis

Senior Manager Regulatory Strategy

AGL Energy