



24 December 2021

Energy Payment Difficulty Framework Implementation Review

Alinta Energy welcomes the opportunity to respond to the Essential Services Commission review of the Energy Payment Difficulty framework.

Alinta Energy, as an active investor in energy markets across Australia with an owned and contracted generation portfolio of nearly 3,000MW and more than 1.1 million electricity and gas customers has a strong interest in the effectiveness of the Payment Difficulty Framework.

Whilst we recognise the importance of reviewing the framework, we do however question how the impacts of COVID – 19 will be accounted for within the review. Most of the review period has been impacted by the COVID -19 pandemic, given the impact of the pandemic on normal customer behavior, in particular customer engagement, the distorting factor of the pandemic may have a material impact on the review. Consideration should be given to how the impacts of COVID – 19 will be factored into the review.

Our comments to the key review questions are setout in the following document. Should you have any questions or wish to discuss Alinta's comments I may be contacted on [REDACTED] or via email at: [REDACTED]

Yours sincerely

Shaun Ruddy
Manager National Retail Regulation

	Question	Alinta Energy Response
1	<p>How are the entitlements under the framework communicated to customers (from a single retailer, and across the sector)? From your experience, are the ways they are communicated clear and consistent?</p>	<p>Entitlements and how to access these are communicated in a clear and consistent manner. Entitlement information under the Payment Difficulty Framework (PDF) is included in collateral provided to customers who may be experiencing difficulty. Alinta Energy also provides a comprehensive payment assistance pack to customers as part of our customer engagement process. This is a multi-page pack, which includes information on Energy Efficiency Audits, and includes a high bill check list.</p> <p>In addition, information on PDF entitlements is also contained in other customer collateral including in our, Hardship processes</p> <ul style="list-style-type: none"> • Payment Plan Letters (Payment Plan Confirmation, Missed Instalment Reminders, Payment Plan Cancellations letters,) Contact Us Letters (Quarterly Payment Plan Reviews and generic contact letters) • Payment Plan Exit letters (Graduations & Program Removal letters) Alinta also provides entitlement information over the phone; including whilst a customer is being onboarded into the hardship program or at any other point of communication while the customer remains on the program. <p>Information is also included on the Alinta Energy website.</p>
2	<p>How much do you think customers are aware of, or understand, their entitlements?</p>	<p>Prior to speaking with Alinta, a customer's understanding of their entitlements under the PDF would be limited. However, after conversations with Alinta they will be clear on and have a greater understanding of their entitlements, including how to access these.</p> <p>Part of the Alinta Energy onboarding process for a customer seeking / needing assistance under our hardship program and/or the PDF, extensive information is provided to these customers, the level and</p>

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		<p>detail of information is in significant part provided to ensure Alinta meets its compliance obligations under the PDF. Alinta Energy is of the view that the amount of information required to be provided can have the impact of driving customer disengagement and does not support the ability to build rapport between the agent and the customer, which is important in ensuring the highest level of assistance is provided to the customer.</p>
3	<p>How helpful and practical has the payment difficulty assistance provided to customers been?</p>	<p>Generally, the assistance provided to customers under the PDF has been of practical assistance, although there have been limitations on its effectiveness in its ability to address and assist all scenario types experienced by customers in need of assistance.</p> <p>Alinta Energy has found that customers with small debt can often benefit from payment assistance plans such as the arrears on hold plan, as this is a simple way of providing temporary relief, thereby supporting customers who are experiencing a short-term financial difficulty.</p> <p>However, in comparison to the assistance required to be provided in the NECF jurisdictions, customers experiencing increased debt, and longer-term difficulty under the PDF are not afforded the same level of flexibility to address a reduction in debt as well as the management of usage costs, which may lead to increased financial exposure for the customer.</p> <p>Arrears on hold payment assistance works well for short term relief in teaching the customer how to manage their day-to-day usage but doesn't provide the customer tools to help manage debt whilst supporting ongoing consumption longer term.</p>
4	<p>How confident are you when advocating on behalf of someone to access support under the</p>	<p>Alinta Energy has invested significant time and effort in its processes, systems, procedures, and training of its agents to ensure the highest</p>

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	framework?	standard of assistance can be provided to customers. As such we are confident when advocating on behalf of a customer.
5	Have you observed a change in customer satisfaction of their engagement with retailers about their entitlements? If so, to what extent and why?	<p>Over the last 18 to 24 months, energy retailers (and customers) have been operating under unprecedented market conditions due to the impacts of COVID-19.</p> <p>These unprecedented market conditions, potentially call into question the validity of any review being conducted into the PDF at this time.</p> <p>Customer engagement is a key factor in the success of the PDF and is also a key factor that has been materially impacted by the outcomes of COVID-19.</p> <p>Alinta Energy has observed a reduction in overall engagement particularly regarding debt and possible assistance in managing debt. We do not believe this to be an impact from the PDF itself, but rather a market wide impact due to COVID-19.</p> <p>Alinta Energy's observations have also been that where customers do engage, they are seeking simple solutions to provide assistance, e.g., simple payment plans or payment extensions. Customers don't necessarily like the structured way in which we are required to offer multiple mandatory offers of assistance when they are seeking a simple payment plan or extension.</p> <p>The current framework is not flexible and does not allow a customer to easily opt out, and choose other arrangements that may be offered by the retailer</p>
6	Have you observed a change in customer engagement from diverse and hard-to-reach customers about their entitlements?	The framework itself has not in Alinta's view changed customers level of engagement. As previously highlighted over the last 18 to 24 months, energy retailers (and customers) have been operating under

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		<p>unprecedented market conditions due to the impacts of COVID-19. The impacts of COVID-19 have had a greater influence on customer engagement, such that we would question the viability of a review of the PDF, where the review period encompasses the period impacted by COVID-19.</p>
7	<p>What aspects of the framework have been working well?</p>	<p>Alinta Energy find that the PDF assists in providing clear structure around payment plan terms for customers receiving assistance through the PDF, however it does introduce complexity.</p> <p>Energy audits assist customers with the management of their energy consumption. The use of Utility Relief Grants is a helpful tool for assisting customers in managing their accounts.</p>
8	<p>Have you, as a consumer representative, energy retailer, or other stakeholder, encountered any barriers or difficulties during the implementation of the framework?</p>	<p>There are aspects of the framework that are unnecessarily complex, impeding the ability of some customers to understand both their rights and obligations. Opportunities to streamline and simplify the framework should be identified as a priority.</p> <p>The complexities in the framework associated with offers of assistance and timing etc, added to the complexity of implementation, given the need to account for these across Alinta's systems, processes, policies, and agent training. An outcome of the review should be simplification of the framework.</p> <p>The framework needs to recognise there will be occasions where the customer will exhaust all assistance options available under the PDF, at which time flexibility should be afforded in the way any further assistance is provided to the customer.</p>
9	<p>Are there areas of the framework that you found confusing or unclear?</p>	<p>Alinta Energy believe it would be beneficial for the Commission to provide their expectation on the information to be displayed on a</p>

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		<p>customer's bill, where the customer is receiving assistance under an arrears on hold plan.</p> <p>The current practice is somewhat confusion and potentially difficult for a customer to understand, given the amount of information presented to the customer which includes a breakdown of the debt (on hold) new charges, overdue charges, and payment due dates.</p> <p>Greater clarity is needed on when it is appropriate to suspend assistance under Arrears On Hold due to non-payment, and /or non-engagement. Alinta Energy believe it would be beneficial for the commission to provide clear direction of these requirements.</p>
10	<p>Are there other strategies or approaches retailers have considered (within or outside the framework) that can better help customers and achieve the framework's objectives? If so, what are these strategies or approaches?</p>	<ul style="list-style-type: none"> • Incentive payment plans (partial waiver of debt etc.) • Debt waivers