

21 January 2020

Ms K Symons
Essential Service Commission
Level 37, 2 Lonsdale Street
Melbourne Victoria 3000
Retailerenergyreview@esc.com.au

Dear Ms Symons

Submission on the Ensuring energy contracts are clear and fair draft decision 10 December 2019

Thank you for the opportunity to provide this submission on the **Ensuring energy contracts are clear and fair draft decision 10 December 2019** (Draft Decision).

While Elysian Energy is supportive of the objectives to provide customers with clear and fair energy contracts, Elysian Energy considers that this objective has been largely addressed with the implementation of the Victorian Default Offer, the Best Offer requirement and the clear information requirements. Elysian Energy believes that the impact of these changes should be reviewed prior to making further regulatory changes.

Elysian Energy is concerned that rushing further regulatory changes now, could have unintended negative impacts on the customers. Below we have outlined our key concerns with the current proposals:

Retailers can only change existing market contract prices when the VDO price changes

Elysian Energy aims to have all customers on our best available offer. If a price change is required during a VDO period, we would like to move all customers to the same price. We note that if any price change occurs a Price Change Alert is provided to customers and customers have the right to change retailers at any time without penalty.

Elysian Energy has previously made price reductions during the year to ensure that our products remain competitive. We note that the Draft Energy Retail Code amendments will allow price reductions during the VDO period, we encourage the Commission to allow for this type of change to existing market contract.

Retailers must offer any ongoing financial benefits for the duration of a contract

Elysian Energy's best offer to small business customers are "No Term" and include a small pay on time discounts to reflect the costs incurred for late payment. Under the draft proposal, Elysian Energy will not be able to alter discounts up or down on these "No Term" contracts. Should the Commission alter the maximum pay on time discount Elysian Energy will not be able to ensure all our customers are on our best offer.

If the Commission does not allow for the variation of discounts for "No Term" offers in order to comply Elysian Energy will be forced to consider offering fixed term offers that roll onto the VDO (as required by draft decision 9). We believe this is a suboptimal outcome for customers.

The Commission should ensure better outcomes for customers by allowing "No Term" offers discounts to be varied in line with current offers in the market or at least in line with VDO changes/decisions.

Retailers must include information about accessing the VDO on electricity bills

The current drafted notice would use a significant amount of space on the first page of the customer bill. To add to clarity of the message and reduce the cost and time to implement, the message should be more succinct.

Pay-on-time discounts to be capped by the Commission

Elysian Energy would prefer that where possible the Commission be consistent with changes made by other regulators including the Australian Energy Regulator in order to reduce the costs and complexity of this significant regulatory change.

If the Commission decides to set the cap for pay-on-time discounts the Commission should consider the customer experience. Customers should expect clear and fair pay on time discounts. To achieve this the Commission should consider:

1. **Whole number:** Pay-on-time discount should be a whole number so a customer can easily calculate the impact of the discount and check bills,
2. **Consistent:** The pay-on-discount should not change every year. Customers will not be well served by ever changing discounts as change adds to confusion.

Elysian Energy considers that a significant regulatory change has been made recently and the Commission should not rush to make too many changes in a short period. We recommend that the Commission take additional time to consider feedback and provide the industry with additional time to comply with any changes. Therefore, the timeline should be extended and the implementation of any changes delayed until at least next year.

If you have any queries in relation to this submission, please contact me directly on 03 9988 8541.

Yours sincerely



Scott Wells
Managing Director

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