

5 February 2019

Mr Aaron Yuen
Senior Regulatory Manager
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne VIC 3000

Via email: RetailEnergyReview@esc.vic.gov.au

Dear Mr Yuen,

Re: Helping customers engage confidently in the retail energy market

Simply Energy welcomes the opportunity to provide feedback on the Essential Services Commission's (ESC) Draft Decision on Helping Customers Engage Confidently in the Retail Energy Market.

Simply Energy is a leading second-tier energy retailer with over 670,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. As a leading second-tier retailer focused on continual growth and development, Simply Energy actively supports open market competition and energy affordability.

With this in mind, Simply Energy has no concerns with the ESC's proposal to develop standard customer usage profiles, and to replicate the estimated meter read obligations under the National Energy Retail Rules.

In saying that, Simply Energy considers that further work needs to be done to ensure the smooth rollout of the new energy fact sheets across Victoria. The following submission, therefore, focuses on the ESC's implementation of the energy fact sheets with specific regard being given to:

- the scope and application of the fact sheets; and
- the need for the ESC to undertake further consultation on the underlying regulatory framework and associated transitional processes.

Scope of the requirements

Simply Energy supports the ESC's proposal to harmonise the Victorian consumer disclosure requirements with the national framework. Aligning these requirements will ensure energy consumers across the National Electricity Market have access to consistent comparison information no matter where they live.

Simply Energy's preference is for the Victorian Energy Fact Sheets to be developed directly through Victorian Energy Compare. Like the national Energy Made Easy platform, this would provide retailers with a cost-effective means of providing energy consumers access to consistent comparison information on energy offers available in their local service area. Centralised provision of the Victorian Energy Fact Sheets by Victorian Energy Compare is superior in cost and consistency of customer information, and lower risk, than requiring each retailer to develop systems and processes to generate Victorian Energy Fact Sheets.

If this approach is adopted, Simply Energy considers that the Energy Retail Code should expressly exempt retailers from liability where Victorian Energy Compare is off-line or non-functional. Retailers should not be held accountable for technical processes that are outside their reasonable control.

Simply Energy also considers that the Energy Retail Code should only set out the overarching requirements for retailers to publish Victorian Energy Fact Sheets, with the technical detail included in a subordinate guideline. Including technical detail in a subordinate guideline rather than the Energy Retail Code itself will facilitate less cumbersome and more timely updating of technical requirements identified as the implementation progresses.

Transitional processes

In addition to providing clarity around the scope of the requisite requirements, it should be kept in mind that in the lead up to 1 July 2019 retailers already have a number of significant regulatory changes to implement. Two of the major changes will be the introduction of the Victorian Default Offer, and the requirement to provide customers with clear advice around their best offer.

Simply Energy considers that it is important that retailers get these changes operating smoothly before looking to develop changes to their energy fact sheets. Simply Energy, therefore, considers that retailers should be given a three to six-month transitional timeframe from 1 July 2019 to facilitate the implementation of the new Victorian Energy Fact Sheets. This is, however, contingent on Victoria Energy Compare having the technical capabilities to develop the required energy factsheets on or before 1 July 2019.

Closing remarks

Simply Energy encourages the ESC to work collaboratively with industry participants to develop a staged implementation approach. The best outcomes for consumers can only be achieved if the ESC and industry work in collaboration to rollout these changes in a timely manner that factors in sufficient time for system testing.

In facilitating this end, Simply Energy is strongly of the view that the ESC should publish a further draft decision paper that outlines the proposed regulatory requirements that will underpin the rollout of Victorian Energy Fact Sheets. It is only through understanding these requirements in sufficient detail that retailers will be able to plan the processes to ensure the smooth rollout of the new energy fact sheets across Victoria.

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact Anthony O'Connell, Senior Regulatory and Compliance Officer, on, telephone, [REDACTED].

Yours sincerely

A handwritten signature in blue ink, appearing to read 'James Barton', with a stylized flourish at the end.

James Barton
General Manager, Regulation
Simply Energy