

Onsite Energy Solutions Pty Ltd
ABN 92 164 385 693
Suite 21, 45-49 Bourke St
Melbourne VIC 3000
www.onsiteenergy.solutions

Contact: Bryn Dellar
Mobile: +61 407 465 289

Essential Services Commission of Victoria
Level 27, 2 Lonsdale Street
Melbourne VIC 3000

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

Submissions to New Requirements for Energy Bills

To Whom It May Concern,

Onsite Energy Solutions (OES) is a boutique electricity retailer seeking to validate the introduction of a new, innovative retail model, based on the supply and installation of behind-the-meter solar storage together with "fixed" (\$ per month) pricing.

OES supports the introduction of the obligations recommended by the Victorian government's Independent Review. We also support codifying the consumer outcomes these obligations are intended to deliver, specifically customers should be:

1. Informed about whether their retailer is charging them a reasonable price for their energy twice per year.
2. Entitled to prior notification of any changes their retailer intends to make to any tariff, charge or benefit that affects their energy bill.
3. Entitled to advice that helps them confidently navigate their way to the retailer's contract that best suits their circumstances.

We concur with the view that it is "now indisputable that the community expects a higher standards of conduct in the energy sector than might be acceptable elsewhere in the economy" and we support the introduction of a "new, 'responsibility-based' approach to the regulation of the retail energy market".

Further, we believe that the draft decisions in their current form will not unduly hamper innovation.

Draft decision 1: Best offer entitlement

OES' comment:

We agree that Customers are entitled to be informed, via their bill, of the best offer available to them from their retailer.

Draft decision 2: The definition of best offer

OES' comment:

We agree that 'Best offer' is to be defined (at a minimum) as the cheapest generally available offer from that retailer for that customer based on their energy usage, with the retailer having discretion to present cheaper plans from among their non-generally available offers.

In particular we support the adoption of the Australian Energy Regulator's definition as stated in:

<https://www.aer.gov.au/system/files/AER%20Retail%20Pricing%20Information%20Guidelines%20-%20Version%205.0%20-%20April%202018.pdf>

Generally available plans

76. All plans that are available to any customers in the appropriate distribution zone with the appropriate metering configuration are generally available unless they are a restricted plan.

Restricted plans

77. Restricted plans are specifically targeted at an individual or exclusive group and tailored to the specific circumstances of that customer and their need(s).

78. Restricted plans are typically not actively marketed, but negotiated by the retailer or its agent

with the customer. Examples of restricted plans include, but are not limited to:

- a. family and friends plans, including retailer staff plans and staff plans for employees of companies with whom the retailer has a commercial relationship
- b. plans targeted to a specific customer, with traits and characteristics that cannot be easily acquired - for example - where the customer negotiates a specific plan with the retailer based on having multiple sites serviced by the same retailer
- c. obsolete plans
- d. standing offer plans that are not readily available to small customers in a particular location but which retailers publish on Energy Made Easy only to satisfy their Financially Responsible Market Participant (FRMP) requirements under the Retail Rules
- e. plans for customers in residential embedded networks where the retailer acts as the embedded network operator, or provides retail-only plans to an embedded network customer
- f. plans restricted to customers in a pilot program
- g. plans restricted to concession customers
- h. plans restricted to hardship customers
- i. 'save' plans, which are offered by retailers in response to a customer signalling they intend to switch to another retailer
- j. 'win-back' plans, which are offered by retailers after the customer has switched to a new retailer to persuade the customer to return.

Draft decision 3: Estimating a customer's usage and the application of discounts and concessions when determining the best offer

OES' comment:

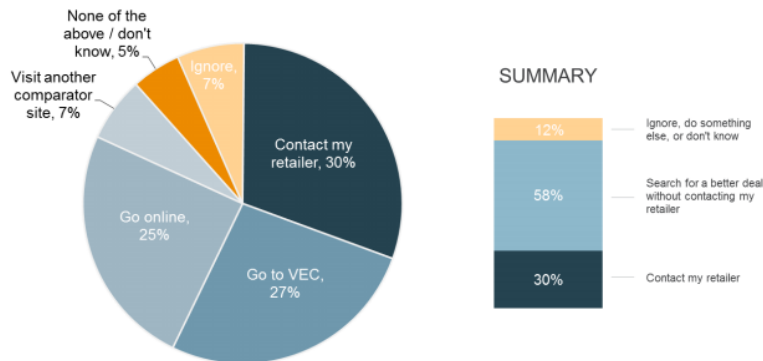
We agree with the draft decision.

Draft decision 4: Presentation of the best offer on bills

OES' comment:

We agree with the draft decision. We also believe that, based on the Commission's research (refer below) into consumer behavior showing that a significant portion of consumers who receive "red box" bills do not approach their retailers in the first instance, this decision is likely to incentivize retailers to seek to ensure that consumers are on their "best available offer" in an effort to minimize the risk of loss of market share.

Figure 2.1 Stated intentions of customers after reviewing a bill containing their retailer's 'best offer'



Source: Behavioural Insights Team (BIT)

Draft decision 5: Clear advice entitlement

OES' comment:

We agree with the draft decision.

Draft decision 6: Scope of the new best offer obligation

OES' comment:

We agree with the draft decision.

Draft decision 7: Frequency at which the best offer appears on bills

OES' comment:

We agree with the draft decision. The message is to appear on the first bill to follow 1 January and 1 July each year, starting from 1 July 2019. We do not agree with commencement of the 6 month periods from the anniversary date of the customer joining the retailer as we believe this increase back office complexity and delivery costs.

Draft decision 8: Dollar threshold for determining best offer

OES' comment:

We agree with the draft decision.

Draft decision 9: How long a best offer must be valid for

OES' comment:

We agree with the draft decision. Further, we believe that the expiry date of the offer should be included in the "red box" area of the bill.

Draft decision 10: Additional information to appear on bills

OES' comment:

We agree with the draft decision.

Draft decision 11: Bill change notices

OES' comment:

We agree with the draft decision.

Draft decision 12: Minimum requirements for information to appear on bill change notices

OES' comment:

We agree with the draft decision.

Draft decision 13: Manner and form of bill change notices

OES' comment:

We agree with the draft decision.

Draft decision 14: Delivery of bill change notices

OES' comment:

We agree with the draft decision.

Draft decision 15: Scope of bill change notices

OES' comment:

We agree with the draft decision.

Draft decision 16: Notice period

OES' comment:

We agree with the draft decision.

Draft decision 17: Exemptions from the need to issue a bill change notice

OES' comment:

We agree with the draft decision.

Draft decision 18: Prices to be expressed in GST inclusive terms only

OES' comment:

We agree with the draft decision.

Draft decision 19: Commencement date for the new requirements

OES' comment:

We agree with the draft decision.

Should you require further clarification, please do not hesitate to contact me on 0407 465 289.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Bryn Dellar', with a long horizontal flourish extending to the right.

Ronald (Bryn) Dellar
Chief Executive Officer
Onsite Energy Solutions Pty Ltd