



2019 Victorian energy open forum

Engaging to deliver better
energy outcomes

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Retail market review: ensuring contracts are clear and fair (recommendation 4)

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Wifi: Citadines Melbourne
Password: conference



Recap

- New reforms took effect from 1 July 2019, to help customers engage confidently and build trust in the retail market
 - ‘best offer’ on energy bills
 - clear advice before you sign a new deal
 - Victorian energy fact sheets
 - prior warning of bill changes
- Now consulting on reforms to ensure contract periods, practices and variations are clear and fair (rec 4 and 3A).

Issues paper

Exploring implementation options:

- fix energy prices for a minimum of 12 months
- let customers know the length of time prices are available without change
- roll customers onto the nearest matching, available offer at end of contract
- ensure customers do not lose discounts or benefits when a contract ends
- ensure reference pricing is working for customers (electricity and gas)

Stakeholder feedback so far

16 submissions (11 retailers and industry groups, 4 consumers, consumer groups, 1 independent body)

Some feedback we received:

- consider interaction with 1 July reforms
- broad support for discount referencing to VDO and a gas reference price, but recognise the difficulties
- range of views on 12-month price fixing and evergreen discounting
- diverse views on rolling customers on to nearest matching offer at end of period
- majority of stakeholders in favour of capping consumer costs from failing to meet offer conditions, but range of views on how to cap these costs

Stakeholder reference group

- Three meetings since the issues paper
- Minutes are published on our project page “Electricity and gas retail markets review implementation”

Original problems

1. Customers experienced price increases shortly after new contract
2. Customers on fixed benefit periods or contracts ended up with much higher prices if they did not engage
3. Discounting is difficult to understand
4. Gas discounting is not off a reference price

Questions we considered

- A. Do these problems still exist today?
- B. How far do the 1 July reforms go to addressing these problems?
- C. What could we consider to further assist?

To the draft decision

We are now:

1. considering the recommendations as a package
2. how the recommendations interact with the reforms that commenced 1 July 2019
3. what contracts customers are currently on and what they have paid
4. interested in customer sentiment of previous reforms and potential changes

Timeframes likely to change (mid-to-late October)

Contact us

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