

Ms Lisa Fukuda  
Director  
Australian Energy Market Commission  
GPO Box 2603  
Sydney NSW 2000  
Submitted online: <https://www.aemc.gov.au/contact-us/lodge-submission>

8 May 2025

Dear Ms Fukuda,

**Improving consumer confidence in retail energy plans and Assisting hardship customers**

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission in response to the Australian Energy Market Commission's ('AEMC') *Improving consumer confidence in retail energy plans* Draft Determination ('Energy Plans Draft Determination') and *Assisting hardship customers* Draft Determination ('Hardship Draft Determination').

The AEC is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC is committed to a consistent, industry-wide approach to supporting all customers, including a focus on vulnerable customers. We support the policy intent of the rule changes to deliver affordability and ensure robust customer protections

As the energy market continues to evolve, retailers see themselves as the primary customer agents and recognise that it is vital to ensure trust and engagement are central to the retailer-customer relationship. Retailers recognise that for these foundations to be strong, supporting customers who are in need of extra support is critical.

Alongside the need to ensure robust consumer protections, the sentiment emerging around moving to a more principles-based framework raises the issue of the balance between prescriptive versus principles-based rules. The AEC encourages the AEMC in these current consultations to consider how more prescriptive rules might sit alongside future developments that are more principles oriented.

Bearing the above comments in mind, the AEC is broadly supportive of the proposed rule changes and proposes some additional considerations for the AEMC as part of its deliberations post the Draft Determinations.

Any questions about this submission should be addressed to Jo De Silva by email to [jo.desilva@energycouncil.com.au](mailto:jo.desilva@energycouncil.com.au) or phone 03 9205 3100.

Yours sincerely,

***Jo De Silva***

**Jo De Silva**

General Manager Retail Policy

### Specific comments

Proposal	Further considerations for the AEMC
Ensuring energy plan benefits last the length of the contract	<ul style="list-style-type: none"> <li>Additional costs of making rules apply retrospectively rather than just prospectively.</li> <li>Providing flexibility, such as the ability for retailers to utilise digital communication methods such as email or SMS for notification obligations.</li> </ul>
Removing unreasonable conditional penalties	No additional comments.
Preventing price increases for a fixed period under market retail contracts	<ul style="list-style-type: none"> <li>Consider implications for retailers to manage risk during situations such as the 2022 energy crisis.</li> <li>Consider how the delay between the release of the DMO Final Determination and the price change date impacts retailers' resources to meet this obligation.</li> <li>Victoria maintains an exemption framework that helps continue to incentivise the development of innovative propositions with clear customer benefits. AEMC and AER could work collaboratively with industry to deliver a similar exemption process.</li> </ul>
Removing fees and charges	<ul style="list-style-type: none"> <li>Provide further clarity around which customers are captured and which are not <ul style="list-style-type: none"> <li>Customers on interval plans by preference and veteran affairs cardholders might be captured under the proposed reforms; customers on life support, who should be considered vulnerable, may not be.</li> </ul> </li> <li>Move-in-out fees are charged by distributors to retailers – should distributors be able to impose these fees if retailers are not able to pass them on?</li> </ul>
Flexibility in how the retailer ensures that hardship customers pay no more than the deemed better offer	<ul style="list-style-type: none"> <li>Consider an energy debt threshold that would need to be reached prior to the retailer providing a financial benefit if EIC cannot be attained. Discretion may be warranted in how the benefit is calculated.</li> <li>Amendments to the Market and Standard Terms and Conditions to give retailers the ability to change a hardship customer to a better offer. Upon entry and continued participation in a retailer's hardship program, a retailer would shift a customer to a deemed better offer if one is available. The updated terms and</li> </ul>

	<p>conditions could explicitly accommodate customer requests to retain their current energy plan. Such consent could be obtained at the time of entry into a hardship program and remain valid either for the full duration of their participation or for a shorter period, depending on the customer’s preferences.</p> <ul style="list-style-type: none"><li>• Proposed reforms to be sufficiently tested through an industry-wide regulatory sandbox arrangement, which would include a cost-benefit analysis prior to full implementation.</li><li>• Address the lack of incentive this rule change creates for customers for retailer-customer engagement.</li></ul>
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