



31 October 2017

COAG Energy Council Secretariat
GPO Box 9839
Canberra ACT 2601

By email: energycouncil@environment.gov.au

RE: Consumer participation in revenue determinations and associated regulatory processes

ERM Business Energy welcomes the opportunity to respond to the COAG Energy Council's Consultation Paper on consumer resourcing in regards to participation in revenue determinations and associated regulatory processes.

About ERM Business Energy

ERM Power Retail Pty Ltd, which trades as ERM Business Energy, is a subsidiary of ERM Power Limited, an Australian energy company operating electricity sales, generation and energy solutions businesses. Since launching in 2007, ERM Business Energy has grown to become the second largest electricity provider to commercial businesses and industrials in Australia by load¹, with operations in every state and the Australian Capital Territory. ERM Business Energy has increasing success in the small business market. www.ermpower.com.au

General comments

ERM Business Energy agrees that greater consumer participation in network revenue determinations and associated regulatory processes will support efficient regulatory processes and consumer-centric outcomes. We recognise the heightened efforts by the Energy Networks Association and individual network businesses over recent years in seeking to engage with consumers in more meaningful ways to this end.

Network pricing remains a key gap in many consumers' understanding of the energy sector, even for sophisticated business customers. In our experience, this knowledge gap also impacts consumers' ability to understand their retail offers, and make well-informed decisions about the offer that is best for their situation.

The vital link between retail and network pricing

A customer's retail energy bill is the final outcome of a series of complex inputs and calculations. It is the only practical way most consumers experience the energy market. This makes it difficult to engage consumers in individual components of those calculations, such as network pricing; it is not always clear how materially a change to one component will alter the final bill outcome.

¹ Based on ERM Power analysis of latest published financial information.

It is our view that the best opportunity to educate and engage energy consumers in the major components of energy pricing is through their retail bill. This is the medium most likely to be viewed by the widest range of consumers on a regular basis, and should be their first point of reference when they are considering the impact of energy prices to their home or business.

Retail bills should provide greater transparency of network pricing to help consumers gain a better appreciation for network tariffs. Resourced by retailers, this would create foundational education and engagement to exist alongside the targeted efforts of network businesses and consumer advocates, supporting their effectiveness.

Please contact me if you would like to discuss this submission further.

Yours sincerely,

[signed]

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