



Submission to Victorian Default Offer to apply from 1 July 2019

Michelle Webb

to:

RetailEnergyReview

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To: <RetailEnergyReview@esc.vic.gov.au>

History: This message has been replied to and forwarded.

### Submission to Victorian Default Offer to apply from 1 July 2019

I am a Victorian consumer in the AusNet zone who has taken the advice of the Victorian Government and used the Victorian Energy Compare website to negotiate a low-rate market offer.

My concern is that consumers such as myself will be worse off in the long-term once the default plan is in place.

I suspect that electricity retailers will seek to offset losses incurred by having the default plan by eradicating low-rate market offers, such as the one I have.

I would be interested to know the quantity of consumers on each of the plan's detailed in the graph on page 11 of the ESC's draft advice to the Government.

Some other miscellaneous comments:

- my preference is for flat tariffs as they allow an easier direct comparison of plans so I agree with the proposal for the VDO to be based on a simple tariff structure (a supply charge presented as dollars per day and a usage charge presented as cents per kilowatt hour), although I note that AusNet and United Energy are exceptions to that
- The VDO consumption levels for AusNet need to be set the same as those used by electricity retailers for ease of comparison, for example, you set the limit between level 1 and 2 as 1020, others set it variously at 1118 and 1017 etc.
- in my opinion, it is discriminatory for electricity retailers to charge more for customers who prefer not to pay by direct debit
- why does the supply charge remain high even though most consumers now have smart meters
- consumers who are active in the market need to have the choice of examining the details of the VDO compared with their current market offer to determine if they should switch.

All that being said, I agree with the premise for the VDO to be a simple and reasonably priced offer for customers who are unwilling or unable to engage in the market. Energy retailers have held the balance of power for far too long.

For your reference I compare my current plan with your proposed VDO for the AusNet zone. Your usage rates are higher than two of the market offers I had when I renewed at the start of the year and comparable with the market plan I moved away from.

	VDO	AusNet market offer 1	AusNet market offer 2	AusNet market offer 3
Supply – 91 days	\$1.10 per day	\$0.99	\$1.05	\$1.34
0 – 1020 usage	\$0.26	\$0.1928	\$0.2200	\$0.2200
1021 > usage	\$0.29	\$0.2089	\$0.2450	\$0.2460
COST	\$221	\$179.74	\$197.85	\$224.24

Yours sincerely,  
Michelle Webb

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