Factsheet

Energy contracts: what providers must do



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We are independent. Our complaint resolution service is free, fair and easy to use. If we can't help you, we will tell you about someone who can.

Energy in South Australia

South Australia's energy markets are de-regulated. This means providers can compete for business. It also means you can:

- choose which provider to use
- change providers if you want to.

To compete for your business, energy providers offer different contracts or plans.

Contracts

Most energy suppliers offer two types of contracts:

- 1. standard retail contracts (SRCs) or plans
- 2. market retail contracts (MRCs) or plans.

If you haven't negotiated an MRC with your provider, you are probably on an SRC.

Standard retail contracts

Pricing and terms

An SRC is the simplest type of contract – every provider must offer one. It must follow the model terms and conditions and meet the minimum standards in the National Energy Retail Rules.

These model terms limit how much an energy provider can charge on an SRC. This limit is called the default market offer standing offer price cap. It is also known as the **reference price**.

An SRC:

- · cannot be above this reference price
- cannot change the price more than once every six months
- is unlikely to offer any discounts.

Ending your SRC

An SRC is an ongoing contract with no fixed term. You can end it at any time.

Market retail contracts

Pricing and terms

An MRC is an agreement between you and your energy provider about the price and conditions of your energy.

There are no model terms and conditions for an MRC but it must meet the minimum standards in the National Energy Retail Rules.

This means the price will be set by the provider and it can be higher than the **reference price**.

Because the price is set by the provider:

- you can sometimes get discounts
- the price can change at any time, even straight after you've signed your contract.

Some providers may offer plans where the price is fixed for a set period. This might be called:

- a fixed price
- a price guarantee or a price freeze.

Ending your MRC

There are two types of MRCs:

- 1. fixed term
- 2. ongoing.

A fixed term MRC means you agree to buy your energy from that provider for a set time.

You can be charged an exit fee if you want to end your contract before that time is up.

An ongoing MRC does not have a fixed term. You can end an ongoing MRC at any time and you can't be charged an exit fee.

Your provider's responsibilities

Energy providers must have a basic plan information document for each of their offers. This document must tell you:

- the price
- the fees and charges
- the contract details.

For each plan, the provider must estimate a cost for the year that includes all the fees and discounts.

The provider must show you how this cost compares with the **reference price** as a percentage. You can use this percentage to compare different plans.

Explaining your contract

After you sign a contract, your provider must give you a written *disclosure statement*. This statement must tell you in plain English the key terms of your contract including:

- prices
- service levels
- how often you will be billed
- how long the contract lasts
- how you can pay
- any other fees and charges, including any early exit fees.

Your provider must also give you its customer charter telling you how it protects customer rights.

Changing your contract

Your provider must tell you:

- when it is going to increase prices
- when any benefits on your contract, such as a discount, are about to end or change
- how to shop around for a better deal.

If your energy price is changing, your provider must usually give you at least 5 business days' notice. The provider must also tell you:

- the date the price will change
- the tariffs and charges before and after the change.

It must use your preferred contact method – email, SMS or mail – to tell you.

Ending or keeping your contract

Your provider must write to you 20 to 40 days before your contract expires to tell you it is expiring.

Read this notice carefully as it will tell you what to do.

It is your responsibility to contact your provider and tell them what you want to do.

More help

Contracts

Before you sign a contract, read our fact sheet: Energy contracts: how to choose.

Make sure you compare the plans offered in your area so you get the best deal for you.

The *Energy Made Easy* website by the Australian Energy Regulator can help you do this. Visit <u>energymadeeasy.gov.au</u> or call 1300 585 165.

Complaints

If you have any concerns, read our fact sheet about making a complaint.

Free call 1800 665 565

National Relay Service 133 677 Interpreter 131 450 GPO Box 2947 Adelaide 5001 ewosa.com.au

We acknowledge and respect the important connection of First Nations people to their lands and waters. Together we can learn, as we listen and observe the world's oldest living culture, therefore harmonising with their customs and traditions.