

3 July 2018

Ms Kate Wild
Australian Energy Market Commission
By email: submissions@aemc.gov.au

Dear Ms Wild

Strengthening Protections for Customers in Hardship – Rule Change Proposal – REF RRC0017

Aurora Energy welcomes the opportunity to provide comment on the *Strengthening protections for customers in hardship* rule change proposal initiated by the Australian Energy Market Commission (AEMC) on 24 May 2018. As the sole retailer to all of Tasmania's 240,000 residential electricity consumers, Aurora Energy has a strong focus on supporting vulnerable Tasmanian customers.

Aurora Energy's primary means for vulnerable customer support is its Your Energy Support Program (YES Program). Aurora Energy is proud of the positive results the YES Program has delivered in Tasmania and the high regard with which it is held across the Tasmanian community. Aurora Energy, through its YES Program, has operated effectively and compliantly, whilst continuing to refine and improve its support for vulnerable customers.

Aurora Energy agrees that greater clarity on the interpretation and application of hardship laws and rules may improve the overall performance of retailer hardship programs. However, it is noted that there is already a set of clearly articulated obligations to maintain retailer hardship programs, contained in Division 6 of the National Energy Retail Law. Prior to implementing a further rule change, it is Aurora Energy's view that the AER should take action within the current obligations to hold retailers to account for their hardship programs and encourage improvement in the support of vulnerable customers. Therefore, Aurora Energy does not support the proposed rule change.

In making its determination on the proposed rule change, Aurora Energy suggests the AEMC consider that:

- not all retailers have under-performed in maintaining a hardship program, with many retailers consistently providing effective vulnerable customer support under the current framework; and
- the proposed rule change will likely increase the regulatory burden incurred by retailers.

It is Aurora Energy's view that the principles-based approach to the current hardship obligations has allowed it to successfully design and innovate to best meet the needs of vulnerable customers in the Tasmanian context. The ability for customer service advisors to tailor their support to an individual customer's needs is fundamental to the successful delivery of Aurora Energy's YES Program. Aurora Energy is concerned that the proposed AER hardship guideline represents greater regulatory prescription, which is likely to limit the effectiveness and efficiency of Aurora Energy's support for vulnerable customers.

Aurora Energy suggests that there is scope for the AER to drive improvements in vulnerable customer outcomes within the existing regulatory framework. For retailers that underperform, it is Aurora Energy's view that the AER has sufficient power to clarify hardship expectations, investigate and identify areas for improvement. In addition, there is an opportunity for the AER to better highlight positive retailer performance and provide (non-binding) guidance as to best practice hardship policies and programs.

Finally, the AER has suggested that civil penalty provisions should apply to the potential hardship guideline within the rule change proposal. Aurora Energy notes that the minimum hardship requirements specified in the National Energy Retail Law (NERL) already have a civil penalty provision and that this is therefore unnecessary.

If you have any questions regarding this submission please contact Hayden Moore at hayden.moore@auroraenergy.com.au

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Kane Ingham', written in a cursive style.

Kane Ingham
General Manager Commercial Services