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National Energy Retail Amendment (Maintaining Life Support Customer Registration when Switching) Rule

Thank you for the opportunity to provide a submission in response to the Consultation Paper on 'Maintaining Life Support Customer Registration when Switching', 6 August 2020 (Consultation Paper).

Momentum Energy is a 100% Australian-owned and operated energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland and the ACT. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest producer of renewable energy.

Momentum Energy (Momentum) supports the intent of proposed life support changes initiated by the Energy and Water Ombudsman of New South Wales (EWON), to allow the sharing of medical information between registration process owners (RPO). We acknowledge the existing obligation on customers to provide a new medical confirmation when moving to a new house or changing retailers, could be burdensome and act as a mild deterrent for life support customers from engaging in the market. The proposed rule would prevent life support customers from having to resubmit medical confirmation, which could save consumers time and inconvenience. We believe this is a good objective and such measures should be encouraged.

We are mindful however, that the proposed rule may undermine recent reforms to ensure the accuracy of information on the life support register. Further, it could also impose costs on the respective RPOs in the form of additional policies, systems and procedures that are required to be implemented to manage new obligations. These factors need to be carefully considered and balanced with the risks of undermining the safety protections that exist in the National Energy Retail Rules (NERR).

The current measures under the NERR, provide very strong protections for life support customers. Momentum's view is that the proposed rule is not required at this time. Our feedback on these matters are provided below.

Comments on materiality

While the requirement to resubmit a medical confirmation may deter life support customers from changing premises or retailer, we consider this requirement is only a small factor in a customer's consideration when making such choices. It is unlikely for a consumer to remain with an energy

provider that they are unhappy with just because there is a requirement to resubmit a medical confirmation. Similarly, Momentum does not believe that a life support consumer would base their decision of moving to a new premise on such minor obligations.

In absence of data and evidence revealing that the requirement to obtain a medical confirmation poses a significant problem or barrier for customers, we consider that the issue is not material and therefore, the introduction of new obligations on RPOs is not justified. The current framework works well to protect life support customers with respect to safety, data accuracy and significantly minimises the risk of wrongful disconnections. This arrangement should not be modified, unless there are compelling reasons to do so.

We do however, appreciate the process involved in obtaining a new confirmation may cause inconvenience, especially for customers with mobility issues and as a result, they can incur small costs. Where processes could be improved to increase efficiency and reduce such limitations, it should be pursued. Nonetheless, convenience should be balanced against the requirement of additional resources and costs placed on RPOs, as well as heightened risks for life support customers.

Allocation of responsibility

Recent major reforms particularly, the Commission's final rule on 'strengthening protections for customers requiring life support equipment' that came into effect last year,¹ was initially motivated by various reasons including concerns over the accuracy of life support registers. Under the existing framework, consumers have the obligation to notify and provide retailers with new a medical confirmation in certain circumstances (such as when moving to a new premise). The benefits of the current arrangement ensures retailers have up to date information in order to maintain the life support register. This in turn, ultimately governs the safety of life support customers by minimising the risk of erroneous deregistration due to inaccuracies of data.

The proposed solution put forward by EWON to facilitate the transfer of medical confirmation between RPOs, may expose parties to unnecessary risks in recording old or incorrect data as well as forcing the incoming RPO to have an unreasonable reliance on the outgoing process owner to provide such forms. The RPO's responsibility to update customer registration and obtain medical confirmation relies on the accuracy and up to date information by customers. A complete medical confirmation form is therefore, essential to ensuring the accuracy of the life support register. The changes suggested may not be consistent with the application of the protections that currently exist as it effectively re-introduces risk of inaccuracies in the register, which could lead to negative health outcomes. On this basis, we consider the proposed rule may be incompatible with the existing framework.

While Momentum supports the reasons behind the proposed changes, there needs to be appropriate allocation of responsibility between life support customers and energy businesses to ensure transparency and certainly around the obligations for the purpose of maintaining an accurate register. Life support customers are in the best position to manage these risks as they have control over their information and as such, a different approach to the proposed rule may be required.

Jurisdictional concession schemes

In addition to the obligations imposed on retailers under the national framework, we highlight that jurisdictional concession schemes use the same requirements (medical confirmation), for concession

¹ National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017 No. 3.

purposes. Within the NECF jurisdiction, Momentum services residential and small business customers primarily in New South Wales (NSW) and South Australia (SA). Set out below are our views regarding customers in NSW.

Concession forms such as the one prescribed by the NSW Government (the Department),² require life support customers to renew the form every 2 years including the requirement to obtain new medical confirmation. This process is separate to the life support obligations in the NERR, where the customer is only required to provide medical confirmation once (usually shortly after the customer signs up) to receive the continuing life support protections. Often, the concession form provided by the Department is the same form used to 'flag' the account for the NERR obligations. In the event the customer is required to renew the form (after 2 years) but fails to do so, the concession rebate ceases on the account. It does not affect the 'flag', which continues indefinitely until the customer notifies us of changes to their circumstances.

The proposed rule by EWON will still require customers to obtain new medical confirmation for concession purposes, irrespective of the scenarios outlined in the Consultation Paper, as concession schemes sit outside the NERR framework. We consider that even if this form could to be transferred across RPOs, life support customers would be required to comply with the renewal requirements set by the Department. This requirement includes ensuring details (including account information) matches the customer's current retailer. Thus, we believe the solution put forward, does not comprehensively address the key concerns that EWON has raised.

Momentum has included confidential data below to enable the Commissioner to further consider this issue. This table highlights that, while not all life support customers in NSW are eligible for a concession, a substantial amount of customers do receive the rebate and thus are subject to the requirement to renew their concession form every 2 years. This obligation includes obtaining new medical confirmation.

[Confidential information has been omitted for the purposes of section 24 of the Australian Energy Market Commission Establishment Act 2004 (SA) and sections 223 and 268 of the National Energy Retail Law.]



Medical forms and transfer of information

Each retailer uses their own medical form that is tailored to State requirements (such as for concession purposes as outlined above) as well as specific retailer arrangements. Momentum agrees that these forms do contain personal as well as sensitive information. Consistent with the principles under privacy legislation, such information should not be shared unless it has specifically been consented to and authorised by the customer. Additionally, the transfer of medical information may be unhelpful in situations where a customer moves interstate, as varying State legislation and rules may require customers to fill out different information on the forms.

There is also an increased risk of transferring out-of-date information contained on these forms, which can produce data mismatch issues for the new retailer or incoming RPO. These additional processes may significantly increase the administrative and regulatory burden on energy businesses.

² See example of the form: <https://energy.nsw.gov.au/sites/default/files/2018-10/Life%20support%20rebate.pdf>

As outlined in the Consultation Paper, the current B2B platform that facilitates communication between RPOs does not have the ability to attach documentation. Such limitations would therefore, require retailers to build functions, adopt new policies and incur costs, which are ultimately borne by the customer leading to higher electricity prices in the market.

The existing processes are effective, as they provide the appropriate mechanisms for energy businesses to maintain the accuracy of the life support register. When a customer changes providers or premises, it is an opportunity for both retailers and customers to confirm and update information. The transfer of medical information will remove that facility, which may be an inappropriate risk.

We do not believe the benefits of the proposed rule outweigh the associated costs, challenges and risks. We therefore ask that the Commissioner explore a different solution, to address the issues of consumer experience with respect to the life support process. With the current robust regime in place, Momentum believes the rule change is not required at this time.

Should you require any further information with regard to this submission, please do not hesitate to contact me on 03 8639 4662 or email Tina.bui@momentum.com.au.

Yours sincerely

Tina Bui
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