



Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

By electronic lodgement: www.aemc.com.au

18 January 2021

RRC0038 – Maintaining life support customer registration when switching

Alinta Energy welcomes the opportunity to respond to the Australian Energy Market Commission's Draft Decision on the proposed *Maintaining Life Support Registration when Switching Rule Change*.

In principle, Alinta Energy supports the more preferable rule change proposed by the AEMC as it achieves the objective of the proponent's rule change (customers unnecessarily visiting medical practitioners for the purposes of re-validating their life support status when switching retailers) while minimising the complexity and costs associated with implementing any alternative process. However, Alinta Energy remain unconvinced that the proponent has provided any material evidence to demonstrate that the objective attempting to be met is a widespread industry problem. Therefore we believe that the measured approach of the more preferable rule change will deliver benefits, without introducing the level of unnecessary administrative burden and costs that would be required under the proponent's proposed rule change, providing a better outcome for both consumers and retailers. We note however that the Draft Decision has created some ambiguity and avoidable administrative burdens on retailers that should be clarified by the Commission.

Clarifying the requirements are only applicable when the retailer is in possession of the medical confirmation form

Currently the regulatory instruments in the NECF jurisdiction do not require retailers to retain Medical Confirmation Forms (MCF) for a specified period of time. The Draft Determination would require retailers to retain the MCF for a period of four years. Although retailers are obliged to keep records of this nature within their record management systems, in our experience, it is extremely uncommon for a customer to request the MCF from their retailer having previously provided it to their retailer for the purposes of life support registration.

In December 2018, the Commission made new rules in the NERR to enhance life support customer protections in a consultation titled, '*Strengthening Protections for Customers Requiring Life Support Equipment Rule 2017*'.

As part of this consultation the Commission classified certain customers as “Deemed life support customers” defined as;

any customer whose premises are registered as having life support equipment as at 1 February 2018, but who has not provided a distributor or a retailer with medical confirmation prior to 1 February 2019.

The consequence of this rule change is that there will be customers who are registered as having a life support status but have not been required to provide a MCF to their retailer. There will undoubtedly be other circumstances where customers are registered as requiring life support, but the retailer is not (or yet to be) in possession of a MCF form from the customer. Therefore, we ask that the Commission clarify that the obligation to provide a MCF to a customer should only apply if the retailer is in possession of the MCF. This would avoid any unnecessary compliance exposures on retailers as a result of not possessing the MCF.

MCF to be valid for no more than 2 years

The Draft Decision establishes a four year period for the validity of the MCF. However, Alinta Energy believes that a two-year period would be more appropriate, as a significant proportion of life support customers are also eligible for state-based life support concession rebates, for which eligibility must be reconfirmed every two years. Harmonising the period of validity of MCFs with that of the state-based concession rebates would therefore avoid customer confusion regarding the relevant period under the two schemes.

Alinta Energy also believe that setting a two year validity period on MCFs is an appropriate timeframe given that customer circumstances can change and there is no regulatory or contractual requirement to re-validate a customer's life support status. Given the objective of the rule change is to avoid unnecessary visits by customers to their medical practitioner, we see this as a change that will not impact the rule's objective.

We therefore request that the Commission considers setting the MCF validity period at two years to avoid any additional costs by the retailer and customer confusion.

Implementation

Alinta Energy is very concerned with the Commission's proposed implementation date of 4 March 2021. Not only will implementation by this date be extremely challenging, providing retailers with less than six months from the Final Decision to implement any rule change would set a dangerous precedent.

Although the preferred rule change has less change management impact on retailers than other alternatives discussed, we note that a change of this nature would still require;

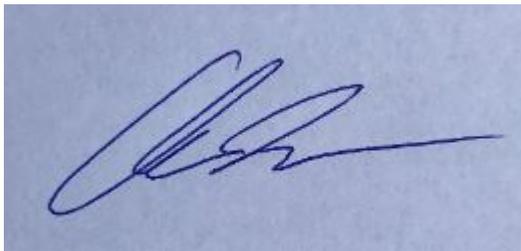
- Updates to collateral to inform customers of new entitlements.
- Training customer-facing staff on new entitlements and processes,
- Process and system updates to reflect, MCF exchange process and entitlements,
- Redrafting the Privacy policy to capture information exchange processes and systems,
- Updates of document recovery framework and processes to allow expedient recovery,
- Compliance and audit framework updates,

Retailers are currently working on a program of significant regulatory reform during 2021. In addition to impacting the processes and systems described above, the proposed rule change has a consequential impact on the viable delivery of project management outcomes already planned during 2021. An implementation period of less than six months would significantly shift

resourcing and re-prioritise work-flows away from planned work programs, create implementation risks across this rule change and the reforms scheduled during 2021, and compound the challenges and stress of staff currently working in a COVID normal working environment. Therefore we urge that the Commission provide retailers at least six months from the final decision to implement the appropriate changes. As previously stated we do not believe there is a widespread industry (or customer) issue that needs immediate remediation to justify such a short implementation timeframe.

Alinta Energy would welcome further discussion with the Commission on any of the matters raised in this response. I may be contacted on (03) 8533 7244.

Yours sincerely,

A handwritten signature in blue ink on a light blue background. The signature is stylized and appears to be 'AK' followed by a long horizontal stroke.

Ante Klisanin
Regulatory Manager