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Australian Energy Market Commission Level 15, 60 Castlereagh Street Sydney NSW 2000

Submitted via online portal

RE: Improving Life Support Processes - Consultation paper

About Shell Energy in Australia

Shell Energy provides the energy businesses and households need for today and tomorrow.

Our business invests, trades and retails energy to help power Australia's energy transition - from renewables and firming assets to serving industries, homes, and communities through our retail businesses.

Our portfolio of gas-fired peaking power stations, battery storage, wind and solar generation supports energy security and reliability.

Shell Energy is Australia's largest electricity retailer to commercial and industrial businesses, recognised for our market-leading customer service. We offer business electricity, gas, environmental products and smart energy solutions. Our residential business, Powershop, provides greater choice and confidence to households and small businesses to help them take control of their energy through multiple energy plan options and digital tools.

Further information about Shell Energy and our operations can be found on our website here.

General Feedback

Key Points:

- Complexity within the life support framework should be avoided to reduce risks to compliance and customers.
- A clear delineation of roles and responsibilities is required for both retailers and DNSP's to reduce ambiguity or overlapping processes within Life Support.
- Responsibility must be allocated to the party who is in the best position to manage risks.
- Enforcement should be aligned to consumer harm.

Shell Energy welcomes the opportunity to provide feedback to the Australian Energy Market Commission (AEMC) and Essential Services Commission Victoria (ESC) consultations on improving life support processes.

¹ By load, based on Shell Energy analysis of publicly available data. Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including Shell Energy by independent research company NTF Group in 2011-2024.





Whilst we recognise that life support registration does not guarantee uninterrupted, continuous supply and customers need to make arrangements for back up supply due to unplanned outages, we understand that servicing life support customers represents the highest level of risk and responsibility for energy retailers and Distribution Network Service Providers (DNSP's). It is essential that affected customers receive appropriate levels of care and support, and Shell Energy supports reforms that aim to streamline processes and prioritise the needs of this customer cohort.

Consumer protections in this space are woven through various instruments which establish overlapping responsibilities for energy service providers. This causes inefficiencies and ambiguity for both retailers and DNSP's, alongside punitive enforcement which often may not correlate with the level of risk of the associated activity – for instance, an administrative error under section 124 B 1A of the National Energy Retail Rules (NERR) could result in a Tier 1 civil penalty despite there being no risk to the customer's supply of energy.

This consultation presents an opportunity to align life support processes and protections to principles based on simplicity and clarity around responsibilities. Shell Energy supports removing complexity by streamlining the processes outlined in the consultation paper such as medical confirmation and registration, confining responsibilities to the party best able to manage associated risks, and aligning enforcement to harm. Where these processes become further muddled within the current framework, there is a heightened risk of failure and poor outcomes which will be to the detriment of life support customers.

While Shell Energy supports the DNSPs having a more active role in the life support process, we would caution against duplicated roles and responsibilities. There is an inherent risk with both the current and proposed life support framework where both retailers and DNSP's will continue with their own processes where there is not a clear delineation of roles, or a single source of responsibility for each task. This creates inefficient duplication, ambiguity, and enforces a conservative approach to compliance where energy providers would rather have exhaustive and overlapping information or processes rather than risk a gap. We consider that this can be mitigated where the regulatory responsibility and associated penalties are carried by the clearly defined process owner only.

Implementation and transition

Shell Energy considers that this rule change request represents a significant change to the life support process, with overlapping responsibilities from retailers and DNSP's, as well as changes to information shared through market systems managed by AEMO. Given the sensitivity of this topic, associated compliance risks, and the detrimental risk to customers where changes are not carried out correctly or rushed, Shell Energy supports a long implementation timeline. At a minimum, we consider that 18-months would be appropriate. This would allow 9-months for AEMO's Business-to-Business (B2B) processes to be updated and associated system changes to be implemented by participants, with a further 9-month window to allow for the changes to the processes raised through this consultation to be implemented.

Further consideration is also required on the transition impacts should the proposals around medical confirmation move forward. Particularly, where medical confirmation is required every 4-years to remain registered as a life support user. We are concerned that this will create bottlenecks in the registration process where a large cohort of customers are required to renew their confirmation concurrently under a new process. This process needs to be as efficient as possible due to the level of risk associated with this consumer cohort. Any implementation and transition period for regulatory change in this space must be well considered.

Alignment between AEMC and ESC

Shell Energy supports that both the ESC and AEMC are seeking to align their processes on life support. We consider that this is a positive change which will streamline processes for both retailers and consumers across jurisdictions.





There are some provisions in the Energy Retail Code of Practice (ERCOP) which Shell Energy considers provides greater clarity and expectations around the timeframes in which an action must be carried out. For instance, this includes updating the life support register within one-day of being advised of life support requirements at a customer's premises (see ERCOP section 165), or deregistration where there is a change in customer circumstances that allows us to agree to a date less than 15 business days with customer consent (see ERCOP section 166(7)(b)). We would support prescriptive requirements in this instance being adopted across Victoria and NEM states to ensure consistent obligations are in place.

Feedback on Theme One

Definitions - Critical and assistive life support

Shell Energy supports the intention of the rule change request to enable DNSP's to prioritise critical life support users during unplanned network outages, as we are aware that this is the highest risk to life support customers. However, we are concerned that this creates a delineation of customer cohorts, where operationally there is a lack of clarity in what this means. From a retail perspective, it is our preference to maintain a single category of life support customers. This is because the need to manage assistive and critical customers differently does not exist for retailers to the same extent as it does for DNSP's. This delineation of 'critical' or 'assistive' is not required for a retailer's service delivery and retailer managed life support risks will remain the same, regardless of these categories.

If the Commission seeks to create this delineation, Shell Energy supports the operationalisation and responsibility of managing the two cohorts separately sitting with DNSP's. This aligns with our previous sentiment in that the responsible party should be the one who is best able to manage any associated risks.

Further, we would not support regulatory changes being made that require retailers to identify whether a customer requires critical or assistive life support equipment. We consider that this goes beyond the scope of our service staff's expertise as energy providers, and would create unnecessary risk for retailers to categorise these customers. Rather, Shell Energy supports the proposed provisions to strengthen medical confirmation, particularly where medical practitioners are able to confirm whether a customer requires critical or assistive life support equipment. This is an appropriate allocation of medical expertise in identifying which cohort the customer belongs to, effectively removing the onus from call centre agents to correctly identify life support equipment against customer needs.

Definitions - Life support equipment

Shell Energy queries the level of benefit that will be gained where the list of life support equipment is expanded. If the Commission decides to endorse medical confirmation being through medical practitioners, this means industry should be able to rely on the expertise of these professionals in identifying life support equipment and customers, regardless of them being assistive or critical. This means the list of life support equipment would be less relevant where a medical practitioner has decided what level of support the customer will need from energy providers. Any further assessment from retailers or DNSP's would then be irrelevant and inappropriate as it would fall beyond the scope of our remit as energy providers to question equipment that a medical expert has deemed necessary.

As noted in the previous section, it is Shell Energy's preference for retailers to maintain one single cohort of life support customers, regardless of whether they need assistive or critical equipment. As the delineation of customers is relevant for DNSP's in managing their risk profile, we support DNSPs having ownership of any associated processes the require this distinction.





Definitions - Life support user

Shell Energy requires further information on whether there is an intention to refine or add protections to the life support user, separate to the customer or the further contacts (as touched on under Theme Three of the consultation). As previously mentioned, we are concerned with the currently ambiguous role retailers have in accommodating the different customer cohorts, and further, if there are varying degrees of requirements or protections that might attach to the different customers stemming from the definitions. This has the potential to make implementation and compliance layered and complex. For instance, where a customer is a life support user or has a life support user at the premises, a retailer would likely flag this household regardless. From a retail perspective, it is not clear what benefit there is to including further terminology.

We would not support additional notification requirements being introduced to capture details for, and/or contact the life support customer, life support user, and nominated contact. We consider that this does not align with the principle of simplicity, and greatly increases compliance risk and will not change service delivery or energy provision with a household from a retail perspective. If changes are required to better enable DNSP's in managing their risk, then we support new regulations being specific to DNSP's in this regard.

Civil Penalties

As previously mentioned, Shell Energy supports penalties and enforcement obligations being aligned to consumer harm, and reviewed where changes are proposed to strengthen ownership of certain processes.

Feedback on Theme Two

Registration and de-registration process

As proposed in the consultation paper, Shell Energy supports DNSP's taking responsibility for the medical confirmation and deregistration processes. However, the implementation of these processes will require further refinement to ensure roles and responsibilities are clearly defined and in our view should align to the principle of simplicity. Any obligations placed on retailers or DNSPs must be carefully considered to minimise duplication and ensure risks are appropriately allocated to the parties best positioned to manage them. For example, the rule change request proposes that if a customer has previously failed to provide medical confirmation on two occasions, they must provide confirmation upfront to be registered. It is currently unclear whether this refers to two consecutive instances, whether the failures were recorded with the retailer, the DNSP, or both, how this is tracked across participant systems, and what level of responsibility the non-process owner holds in such cases.

In maintaining the principle of simplicity, Shell Energy considers that an alternative approach to life support registration is that customers must provide medical confirmation upfront, as a prerequisite for registration. This approach would reduce complexity as proposed in the consultation paper in requiring customers having two attempts to provide their form, and would also largely negate the need for the multiple notification requirements; noting that multiple reminders can lead customers to perceive the deadlines as moveable and therefore will be less inclined to expeditiously return the form. We consider that this approach aligns with the proposals where medical confirmation is strengthened to identify which cohort the customer belongs to, the duration of which customers require equipment, and updating medical confirmation every four-years to ensure the form remains valid. Another benefit of this approach would also remove the risks around deregistration for not supplying the medical confirmation form.





It is common practice overseas for critical care customer protections to be established through the submission of an application form/ medical confirmation form, and as the prerequisite for registration.² We consider that life support registration could follow in a similar vein in the NEM requiring upfront medical confirmation in the first instance to be eligible.

Shell Energy welcomes the opportunity to work with industry, the AEMC, and ESC in refining what this process might look like. For example, it is important to establish clear guardrails for the party responsible for managing registration and deregistration – such as defined timeframes for completing the process – to provide greater certainty and consistency, and to minimise the risks associated with reliance on the service provider responsible for the process.

Medical confirmation

As previously mentioned, Shell Energy supports the requirement for medical confirmation to be assisted by medical practitioners, and for the upfront supply of a medial confirmation form to be a prerequisite for life support protections. This approach is positive as it appropriately transfers the responsibility for complex and sensitive decisions regarding life support equipment to professionals with the expertise to make such determinations.

Further, Shell Energy supports the use of medical templates in principle, as they can help ensure greater consistency in the information collected through the medical confirmation process. We also support the consultation paper's intention not to embed the templates within the rules, allowing them to remain adaptable and responsive to future needs.

However, we are concerned about the volume and complexity of information currently provided to customers during life support registration, which may increase with more detailed medical templates. Overloading customers with information risks confusion and disengagement, which is a negative outcome for such as sensitive cohort. This process presents an opportunity to simplify the information provided, making it clearer and more relevant.

Feedback on Theme Three

Communication methods

In principle, Shell Energy supports the intention behind updating the communication methods so that customers can be informed through different channels if an interruption is going to affect them. However, we consider that the rules need to be specific around the roles either retailer or DNSP has in contacting the customer, the life support user, or the nominated contact. We also consider that a customer should be able to elect whether to provide a secondary contact, and that this should not be mandatory.

It is our preference that retailers are only responsible for communicating with the account holder or customer responsible for the premise. Given the heightened risks DNSP's face around network outages and the potential for consumer harm, it may be appropriate for them to engage with all three contacts. In this context, we support the development of rules or regulations that clearly assign responsibility for contacting the life support user or nominated contact, particularly where it rests with the DNSP.

² For example, New York Compilation of Codes, Rules, and Regulation – Registering for the life support equipment program; and Critical Care Programs in Electric Reliability Council of Texas.





Concluding remarks

Shell Energy supports the Commission prioritising the principle of simplicity for life support provisions and processes. This can be championed through the life support process being activated immediately with medical confirmation being provided upfront. Simplifying the registration process in this manner allows the following processes to also be simplified, particularly where medical confirmation includes the level of life support equipment required. This approach also mitigates risks to consumers where they risk deregistration after two failed attempts to provide medical confirmation.

Shell Energy welcomes further engagement on this topic. If you have any questions or would like further details relating to this submission, please contact Shelby Macfarlane-Hill at Shelby.macfarlanehill@shellenergy.com.au.

Yours sincerely,

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