

8 November 2017

Ms Su-Min Lim
Adviser
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235



Dear Ms Lim,

Draft Rule Determination on National Electricity Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon disadvantaged and marginalised people. PIAC welcomes the opportunity to respond to the AEMC's Draft Rule Determination on National Electricity Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017.

PIAC supports the draft rule determination as it will lead to improved protections for vulnerable consumers who require the use of life support equipment in their home. With the introduction of contestable metering in December 2017 and the rollout of smart meters, consumers face the possibility of being more easily disconnected. Therefore, strengthening the protections for consumers requiring life support is a timely rule change.

Whilst PIAC supports the draft rule determination, we make the following comments and suggestions for improvements, as outlined below.

Change in customer circumstances

PIAC agrees that consumers should inform their new retailer of their reliance on life support when they switch retailer. We reiterate the concerns outlined in our submission to the consultation paper that the requirement to inform a new retailer of the need for life support can create a barrier to switching retailers to ensure they are on the best retail offer.

If people are not prompted about their need for life support, they might not tell their new retailer. In addition, PIAC is concerned that rental property managers, brokers and switching sites might unwittingly shift a vulnerable consumer to a new retailer without ensuring that the new retailer is aware of the life support requirement.

Noting the issue raised by the AER in their earlier submission to this rule change, PIAC would strongly support a requirement that retailers must ask whether life support is required as part of the retailer sign up process.

Further, in PIAC's view, the distributor could notify new retailers of a customer's life support status.

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Costs proportionate to protections achieved

PIAC is pleased that the Commission sees the harm caused by having arrangements that overestimate the number of people requiring life support, is of less consequence than arrangements that underestimate that number.

PIAC agrees consumers should not have to periodically reconfirm their medical status in order to retain their life support protection. This would place a confusing and burdensome requirement on vulnerable consumers. It is much more appropriate for large businesses to have in place systems to manage consumer details rather than placing this responsibility on consumers.

Whilst it is reasonable that retailers and distributors have the option to contact consumers to confirm eligibility where they suspect the requirement for life support no longer applies, the draft rule does not provide guidance around when this would be appropriate and how often a consumer can be contacted to confirm their need for life support.

PIAC recommends that amendments to Rule 125(13) include limitations on frequency of contact and guidance around what particular instances are appropriate for a retailer or distributor to contact a consumer to confirm the ongoing requirement of life support protection. This guidance needs to bear in mind that consumers with medical issues serious enough to require life support equipment should not be over burdened with requests that may not only be stressful but also confusing or worrisome.

PIAC is pleased that the Commission is in favour of the registration process owner being the only party that can deregister a consumer due to the consumer not providing the required medical confirmation.

Also in regards to deregistration processes, we urge that at 125(9)(b), (10)(b), (11)(a) and (12)(a) of the draft rules amendments that “reasonable steps” be clarified to recognise the context of vulnerable households who may have multiple demanding priorities and/or language difficulties which could make contact difficult. Three business days is a short amount of time to achieve successful contact with a vulnerable household.

Transitional arrangements

PIAC is very pleased that the Commission considers it appropriate to apply the amended rule change to all life support consumers regardless of the date on which they registered. This would provide an opportunity to ensure that all consumers on the register who still need life support are registered properly.

Timing

A six month timeframe is a reasonable period to update systems, as long as those consumers currently incorrectly registered, and those who could be incorrectly registered between now and the date of implementation, have their registration corrected once the rule is in place. This would ensure those vulnerable consumers are appropriately protected.

PIAC would welcome the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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