



INFORMATION

Strengthening protections for customers requiring life support

Submissions invited on draft rule determination

The Australian Energy Market Commission (AEMC) has made a draft rule to strengthen protections for customers who need life support equipment, in response to a rule change request submitted by the Australian Energy Regulator (AER). Submissions are due by 8 November 2017.

Overview of the draft rule

The draft rule, which is a more preferable rule, amends the life support provisions in the National Energy Retail Rules so that customers will be entitled to life support protections from the time they first inform either their retailer or distributor that they need life support. It modifies the minimum requirements for retailers and distributors to register and deregister customers for life support protections. It also clarifies the role of retailers and distributors with regards to the registration, medical confirmation, and deregistration processes.

Potential gaps in protection and other issues

In its rule change request, the AER sought to address three main concerns with the life support rules:

- customers requiring life support equipment are not being validly registered and they may be unaware of the need to provide medical confirmation
- the AER has difficulty enforcing certain life support rules if the customer does not provide medical confirmation to either the retailer or distributor
- life support registers have grown and have become increasingly inaccurate.

The AER was concerned that many customers are not receiving the legal protection the life support rules are supposed to provide. Some retailers and distributors are not providing customers with adequate information about what protections registering for life support entitles them to and what they are required to do to confirm their eligibility for those protections. There are customers on life support registers who have not provided confirmation from a medical practitioner, including customers who were not informed they were required to do so.

The AER was also concerned that some retailers and distributors do not have a complete process for requesting medical confirmation of the need for life support equipment. This contributes to more customers being on a life support register without having provided medical confirmation. The numbers of customers on life support registers has grown in part due to low levels of follow up for medical confirmation and increasing numbers of inaccurate and out-of-date registrations.

The AER's proposed rule change

The AER's proposed rule change aimed to clarify that a customer would receive the protections of the life support rules from the time they inform their retailer or distributor until they are deregistered. Also, the retailer or distributor contacted by the customer would be required to send a medical confirmation form to the customer and information about the implications of not providing medical confirmation. The retailer or distributor would also be required to follow a prescribed process for confirming the need for life support equipment, including sending reminder notices and granting an extension of time when requested.

The more preferable draft rule

The Commission has made a more preferable draft rule which addresses the issues raised by the AER and incorporates many elements of the AER's proposed rule, though with a number of changes that better contribute to the long term interests of consumers.

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For example, the AER proposed that only the retailer or distributor contacted by the customer could initiate the deregistration process if the customer did not provide medical confirmation, or if the customer informed them life support was not needed. Under the more preferable draft rule either the relevant retailer or distributor can deregister a customer in the situation where a customer tells them that they no longer need life support equipment. This will make it easier for customers to inform the relevant businesses of changes in circumstances and give retailers and distributors greater scope to manage costs and risks relating to life support.

We seek stakeholder feedback

The Commission seeks stakeholder feedback on the issues raised in the draft determination and the more preferable draft rule.

The Commission invites submissions on this draft rule determination by **8 November 2017**.

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