



Strengthening protections for customers requiring life support equipment

Final determination and final rule published

The Australian Energy Market Commission (AEMC) has made a final 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). The final rule will come into effect from 1 February 2019. From 1 February 2018 transitional arrangements will apply.

Overview of the final rule

The final 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 more preferable final rule

The Commission has made a more preferable final 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.

The final rule will provide better protection for life support customers, allocate responsibilities clearly and appropriately between retailers and distributors, and improve the accuracy of life support registers.

The Commission undertook two rounds of formal consultation and considered 36 submissions to inform its decision on the rule change request.

The final rule will come into effect from 1 February 2019. From 1 February 2018 transitional arrangements will apply.

Implementation and transitional arrangements

Having considered feedback and comments from stakeholders, the Commission considers that an implementation timeframe of 12 months will allow sufficient time for market participants' systems and processes to be updated. The final rule will come into effect on 1 February 2019. From 1 February 2018 transitional arrangements will apply that:

- provide the protections in the current life support rules during the transition period (i.e. 1 February 2018 to 1 February 2019) to all existing customers who are registered as having life support equipment, whether they have provided medical confirmation or not
- provide the protections in the current life support rules during the transition period to all new customers who advise a retailer or distributor they require life support equipment, whether they provide medical confirmation or not.

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