



EnergyAustralia

LIGHT THE WAY

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Mr Greg Williams
Australian Energy Market Commission
PO Box A 2449
Sydney South NSW 1235
Melbourne 3000

EnergyAustralia Pty Ltd
ABN 99 086 014 968

Level 33
385 Bourke Street
Melbourne Victoria 3000

Phone +61 3 8628 1000
Facsimile +61 3 8628 1050

enq@energyaustralia.com.au
energyaustralia.com.au

RRC0009 – Strengthening protections for customers requiring life support equipment - Rule change

EnergyAustralia welcomes the opportunity to make a submission to the Australian Energy Market Commission (AEMC) on the Consultation Paper – National Energy Retail Amendment: Strengthening protections for customers requiring life support equipment (Life Support Rule Change)

EnergyAustralia is one of Australia's largest energy retailers with over 2.6 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market (NEM) and an annual gas portfolio of over 100PJ.

EnergyAustralia supports changes that will improve the accuracy of life support registers and to ensure that customers receive the life support information and protections they need. We have recently implemented internal process changes to adopt registration, confirmation and deregistration processes for life support customers. These procedures for life support customers are broadly aligned with what is being proposed by AER. However, to incorporate the administrative requirements to the level prescribed by AER, EnergyAustralia will require time to implement system changes, for example timing of reminder notices and specific details to be included in the communications.

Accuracy of the life support register

One of AER's concerns is the *"growth in the number of customers on the life support registers... and the increasing numbers of inaccurate and out of date registers."*¹

EnergyAustralia currently registers a customer as requiring life support as soon as the customer requests it. To register a customer, we require the customer to send us medical confirmation of the need for life support protection at their premise and we send customers a number of reminders to return the required information.

¹ AEMC 2017, Strengthening protections for customers requiring life support equipment, Consultation paper, 20 June 2017, Sydney p6.

At present, the decision to remove a customer from the life support register (even in the absence of receiving a completed medical confirmation form), is entirely a matter of discretion for an energy retailer and their assessment of the risks. While we note there is no penalty imposed on a registration process owner for deregistering a customer where they have complied with all the registration and medical confirmation processes, there are of course residual (moral and reputational) risks around deregistration where we have been unable to contact a customer.

The continued reliance on discretion under the draft rule makes the removal of a customer from a life support register a difficult decision; where the customer doesn't respond, there is no definitive evidence that removal is a safe choice. The consequences of incorrectly removing a customer from a life support register, means that the size of life support registers will likely continue to grow and they will not improve in accuracy.

Currently, customers are only removed from the register where the customer themselves notify us that life support is no longer required. Effectively, the deregistration process is only initiated by the customer. To ensure that life support registers include those who truly need this protection; there should be some incentive or compulsion for a customer to notify the registration process owner that life support equipment is no longer required. While it seems sensible to retain the ability to apply discretion, we note that if nothing can be done to shift some responsibility to customers to respond with accurate information then the current size and level of accuracy of life support registers is not likely to change.

Verification of customer initiated deregistration process

We also note that the draft rule imposes an additional procedural step whereby verification of a customer initiated deregistration request is made. There is little clarity as to what this "verification" would entail, other than the registration process owner must make these efforts for three days. Provided we have validly identified a customer, then we should proceed with deregistration as requested by the customer. To then try to reconnect with the customer re-confirm the request they initiated (over a three-day period) seems excessive and may overwhelm or confuse the customer.

Implementation

EA does not envision significant impediment to implement many of the changes which are set out in the draft rule, however timing is a significant consideration. We ask that the Commission note that we are currently working to incorporate significant system changes required as part of the *Expanding competition in metering and related services* rule change. We anticipate that these additional changes (which are not currently captured in our existing life support procedures) will require approximately 12 months' lead time from the time that the rule change is finalised.

If you would like to discuss this submission, please contact Samantha Nunan on samantha.nunan@energyaustralia.com.au or on 03 8628 1516.

Regards

Melinda Green
Industry Regulation Leader