



2nd November 2017

Mr Owen Pascoe
Australian Energy Market Commission
PO Box A2449 Sydney South
NSW 1235

REF: RRC0009

Dear Mr Pascoe

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

ERM Business Energy welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Draft Rules Determination (Draft Rules) on the proposal to strengthen protections for customers requiring life support equipment.

About ERM Business Energy

ERM Power Retail Pty Ltd, which trades as ERM Business Energy, is a subsidiary of ERM Power Limited, an Australian energy company operating electricity sales, generation and energy solutions businesses. Since launching in 2007, ERM Business Energy has grown to become the second largest electricity provider to commercial businesses and industrials in Australia by load¹, with operations in every state and the Australian Capital Territory. ERM Business Energy has increasing success in the small business market. www.ermpower.com.au

General Comments

ERM Business Energy remains generally supportive of the intent of the Draft Rules to provide greater clarity in the roles and responsibilities surrounding life support and to give customers sufficient information and opportunity to self-identify, with the understanding that mutual obligations exist. However, ERM Business Energy believes some aspects of the Draft Rules have been overly complicated and may in some respects bring additional risks, particularly where information provision is inconsistent with usual industry practice. We have addressed these in our submission below, and would be happy to further discuss our concerns with the Commission.

Customers are given adequate opportunity to respond with a single reminder notice

As we highlighted in our previous submission, multiple reminders and extensions provided to customers to return the medical confirmation form adds to the complexity of the rule, risk and cost of compliance. It appears that the Draft Rules have now added a further notice requirement, and we remain concerned that proliferating notices around life support leads to unnecessary complexity.

¹ Based on ERM Power analysis of latest published financial information.

Further, multiple reminders may well lead customers to perceive the deadlines as soft and therefore will be less inclined to expeditiously return the form. We believe customers are given adequate time to respond to the initial request and a single confirmation reminder notice should be sufficient. We propose that the single confirmation reminder letter informs the customer that it will be the only reminder that will be sent before deregistration action.

We support the concept of a deregistration notice informing the customer that lack of action has resulted in removal of the site from the register in no less than 15 business days from the date of that notice. This notice, provided in advance of deregistration, also affords the customer opportunity to act prior to deregistration. We are of the view a single reminder letter and deregistration notice is sufficient and that proliferating notices beyond this leads to a costly overly complex compliance requirement, which in itself carries heightened risk.

Information provision for registration

Retailer emergency number adds significant risk and should be removed

We are very concerned with the draft Rule 124 (1) (b) (iv) requiring retailers to provide customers with a retailer emergency number as well as the distributor's number as part of the registration information:

(vi) an emergency telephone contact number for the distributor and the retailer (the charge for which is no more than the cost of a local call);

Commentary in the Draft Rule Determination paper is silent on the inclusion of this requirement. Customers should have a single emergency faults number of the distributor, consistent with current bill information and practices of restoring supply. Having more than a single emergency number to choose brings significant risk to the customer who may not be in a position to identify the issue. Further it is noted that distributors retain exclusive responsibility for unscheduled, unplanned interruptions and any outages in the distribution system. The resolution of an emergency will be managed by the distributor who will bypass the meter to reconnect the customer. Hence to reduce the risk of delay and confusion in an emergency situation, it is extremely important that customers should have the distributor's emergency number as a single source of contact.

Information to assist the customer prepare a plan of action in the case of unplanned interruption should be consistent across the industry and be provided by the distributor

We believe that Rule 124 (1) (b) (v) requiring retailers to provide information to assist customers 'prepare a plan of action' should either be a provision from a consistent pamphlet or link used across the industry, such as a link to the AER factsheet '*ENERGY AND ESSENTIAL MEDICAL EQUIPMENT, Be ready and have a plan*'², or be a mandated provision of the distributor, given its responsibility of an unplanned interruption. We believe a consistent approach through industry-wide messaging would be beneficial for educating customers. Further, provision of this information by the distributor would remove the unacceptable risk of retailers providing professional advice in an area to which they have no control nor current exposure.

² See Australian Energy Regulator publication at https://www.aer.gov.au/system/files/Energy%20and%20essential%20medical%20equipment_0.pdf

Registration effective dates is unnecessary and should be removed

ERM Business Energy believes the requirement of binding life support registration to effective dates is unnecessary and should be removed. Entry of effective date information is not functionality available through B2B now and would require market system change. Further, the additional variable of effective dates adds to the likelihood of registration errors. We believe as a prudent approach, life support status should be activated immediately from registration until deregistration (that is, a site is registered as life support until it is not) simplifying the registration and removing the requirement of life support prospective dates or active periods.

NMI information to identify the site should be mandatory

We strongly recommend that NMI information accompany the site address when registration details are sought from the customer or information is transferred between parties. A customer's NMI should be part of the mandatory life support registration information so as to mitigate the likelihood of registering the incorrect site.

Implementation

We agree with the Commission's view that supporting multiple categories of customers as a transitional approach is not ideal and could lead to unwanted complexity in the application of the obligations. We strongly recommend that the AEMC considers extending the implementation period of this rule change beyond 6 months, given the expected changes to processes and systems, including industry systems to transfer life support information between participants.

Please contact me if you would like to discuss this submission further.

Yours sincerely,

[signed]

Libby Hawker

Senior Manager Regulatory Affairs

03 9214 9324 - lhawker@ermpower.com.au