

3 September 2020

Conrad Guimaraes
Project Leader
Australian Energy Market Commission
By email: submissions@aemc.gov.au

Dear Mr. Guimaraes,

Maintaining Life Support Customer Registration When Switching – Rule Change Proposal – REF RRC0038

Aurora Energy welcomes the opportunity to provide comment on the Maintaining Life Support Customer Registration When Switching – Rule Change Proposal initiated by the Australian Energy Market Commission (AEMC).

Aurora Energy is supportive of any initiatives which reduce barriers to competition in the retail market, particularly where there is a clear benefit to Tasmanian customers. However, benefits must always be carefully weighed against the costs and impact of implementation to ensure a positive outcome for market participants and customers can be achieved.

The AEMC have invited comment on the following key issues:

- **The appropriate allocation of responsibility between life support customers and energy businesses with respect to the resubmission of medical confirmation**

Aurora Energy supports the position adopted by the AEMC in its 2017 *Strengthening protections for customers requiring life support equipment* final determination. Aurora Energy considers that it remains appropriate and important for customers to play an ongoing role in the life support framework and actively inform their new retailer or distributor of life support requirements where they initiate a change in their personal circumstances.

The proposed rule change may introduce further complexity and risk in the customer churn process for life support customers without adding commensurate value or customer benefit. Aurora Energy considers that the current onus on customers to provide relevant medical confirmation when switching retailers is a key mechanism for ensuring accurate, timely and up to date life support information is provided to energy businesses and ultimately ensures life support customers themselves are protected.

- **The impact on life support customers of higher barriers for engagement in the retail market, including the costs of securing medical confirmation each time a life support customer changes premises or retailer**

Aurora Energy has not seen evidence in Tasmania which supports the need for the proposed rule change to be implemented at this time. Aurora Energy has approximately 7,000 life support customers and has not received any feedback or identified any practical examples which illustrate that the current registration process is overly onerous or costly. Furthermore, Aurora Energy does not have any evidence which supports an argument that the current registration process is a barrier or deterrent for switching retailers in Tasmania.

It is noted that under the existing framework there is no requirement for customers to re-submit medical confirmation forms immediately upon switching retailers. The incoming retailer is required to apply the life support status immediately upon advice from the outgoing retailer and this must remain in place for a minimum of 55 business days while the medical confirmation reminder process is ongoing.

It is further noted that throughout the process of a customer transferring retailers the distributor must also retain the record and current life support status of the customer. Given that the distributor remains a constant in the life support process, it would be practical for them to play a key role in any proposed reconciliation process to confirm life support status upon a customer switching retailers.

As noted by the AEMC in its Consultation Paper, many life support customers with medical conditions requiring life support equipment would be expected to regularly visit and have easy access to their medical practitioner. Subsequently, it is unlikely that a life support customer would be required to make an additional appointment with their practitioner during the abovementioned timeframe solely for the purposes of obtaining a medical confirmation.

- **The costs and benefits of retailers and distributors sharing of medical confirmation forms, with particular consideration to privacy issues and costs of changes to existing systems and policies**

Aurora Energy estimates there would be costs and operational impact to retailers associated with the implementation of the rule change, including updates to customer billing systems and internal processes to accommodate the additional provision of life support information and additional reporting requirements. While these costs and impacts may not be material when compared to the *Strengthening protections for customers requiring life support equipment* rule change in 2017, they could nonetheless be substantial and involve significant manual work to implement.

Aurora Energy does not support the requirement to provide a copy of a customer's medical confirmation to another retailer. Medical information is considered sensitive information under the *Privacy Act 1998* and requires a higher level of privacy protection than other information in the custody of a retailer. The protection of personal information is a key priority for Aurora Energy and other retailers, and any process proposing the transfer of customer medical information must be closely examined and scrutinised.

In Aurora Energy's individual circumstances, the process for providing medical confirmation would currently be required to be performed manually by staff for each transfer, as the physical copy of the confirmation is stored in Aurora Energy's document management database and not the customer billing system which manages the transfer process. Aurora Energy anticipates this issue may be present across the industry, and it would neither be practical nor cost efficient for the manual provision of information to be provided for each customer churn.

If the rule change were to progress, Aurora Energy recommends that the registration process owner be the only party that is required to retain a copy of the original medical confirmation. Once a life support customer is registered in the market, it should be sufficient for the retailer who registered the customer to retain the supporting evidence/documentation. Aurora Energy recommends that only the following information be provided from the outgoing to incoming retailer:

- Effective / start date of life support;
- NMI to which life support is supplied;
- Life support status - i.e. registered with medical confirmation or with no medical confirmation;
- If with no medical confirmation - no further information provided as we do not have confirmation of the device; and
- If with medical confirmation status - that device type is supplied.

If this approach were to be adopted, the above information is generally centrally located in Aurora Energy's customer billing platforms and could be easily extracted as part of the churn process.

Finally, in terms of implementation timeframes, if the rule change were to proceed it is recommended that commencement not be earlier than 1 July 2021, to allow sufficient time for system and process enhancement.

If you have any questions regarding this submission please contact Alistair Burke at alistair.burke@auroraenergy.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Oliver Cousland', with a stylized flourish at the end.

Oliver Cousland
Company Secretary / General Counsel