

03 September 2020

Conrad Guimaraes
Adviser
Australian Energy Market Commission

Submitted online

Dear Mr. Guimaraes,

Maintaining life support customer registration when switching rule (RRC0038)

Energy Networks Australia appreciates the opportunity to provide feedback on the Australian Energy Market Commission's (the Commission) Consultation Paper in response to the life support rule change request from the Energy and Water Ombudsman of New South Wales (EWON).¹

Energy Networks Australia is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

Life support provisions are included in the rules to support some of the most vulnerable members of society, and network providers recognise the fundamental importance of these additional customer protections.

Life support provisions required to support vulnerable members of society

EWON submitted a rule change request to the Commission proposing changes to the National Energy Retail Rules (NERR) that aim to facilitate the transfer of life support customers' medical information.

Under the existing rules, if a life support customer changes premises or energy providers, they may be required to resubmit medical confirmation in certain circumstances. EWON is proposing a rule change that requires the transfer of medical information between the outgoing and incoming life support registration process owners following a customer change of premises or retailer.

EWON note that, in considering their rule change proposal, the Commission may also wish to consider the appropriateness of a requirement to provide updated medical

¹ AEMC, *Maintaining life support customer registration when switching*, Consultation paper, 6 August 2020.

confirmation for continued life support registration after a set timeframe.² Energy Networks Australia is strongly supportive of ensuring the rules include a requirement for customers to resubmit medical confirmation within a specific period to ensure its relevance.

In addition, under the existing rules, when a customer originally contacts either their retailer or network provider requesting life support services, they are included on the register from when they require the service. After registration, there is a requirement to confirm their need for these additional services by providing medical confirmation. The Commission in their Consultation Paper highlight that a customer's medical confirmation is a critical component in the NERR life support framework.

As noted in EWON's proposal, customers are more likely to register their life support request with their retailer as they often don't have a direct relationship with their network provider. However, if the customer fails to provide medical confirmation to the registration process owner, there is not a requirement to deregister the premises.³ This is evidenced in the following statistics:

- 46 per cent of life support customers in South Australia currently have no medical confirmation noted on the network provider's life support register,
- 26 per cent of life support customers on a New South Wales network provider's life support register (at 30 June 2020) have no medical confirmation noted, and
- 49 per cent of life support customers who registered between February 2019 and July 2020 in South East Queensland have no medical confirmation noted on the network provider's life support register.

Therefore, whilst not included in EWON's proposal, Energy Networks Australia nonetheless strongly recommends that this rule should be amended to ensure that the registration process owner must follow the rules-based deregistration process if medical confirmation is not provided.⁴

In recognition of the fundamental importance of the additional protections for life support customers, Energy Networks Australia strongly supports a regulatory framework that provides that targeted assistance.

Provision of life support services to premises where these services are not required unnecessarily increases network providers' resource requirements, such as managing and scoping planned outages and reviewing connections, which are avoidable costs that are ultimately paid for by all consumers.

² Energy and Water Ombudsman of New South Wales, *Rule change request to the Australian Energy Market Commission: Improving retailer transfers and consumer choice for vulnerable life support customers*, 11 June 2020, page 3.

³ NERR, 124(1)(b)(ii), 124(4)(b)(ii), and 124A(2)(d)(iii).

⁴ NERR, 125.

Life support registers with up-to-date information that more accurately reflect the needs of customers will enable network providers to prioritise genuine life support customers when managing network outages. Ensuring protections are limited to those customers with genuine needs will ensure those customers get better service and costs are kept down for all customers.

Cost-benefit analysis, and customer privacy concerns

Energy Networks Australia supports the Commission considering all possible solutions, including any alternate non-Rules based solutions. Any final decision should be made on the basis of ensuring that the protection of genuine life support customers is prioritised, and to enable that, ensuring that life support registers are regularly updated and accurate.

The development of any final rule should be based on a comprehensive assessment of the benefits and costs associated with its implementation, including any additional risks and complexities associated with increased data flows between parties. Consideration should also be given to any additional system costs required to facilitate any possible data flows between parties that do not normally communicate, for example between an electricity distributor and a gas distributor.

In addition, Energy Networks Australia supports the Commission ensuring that any final rule does not raise any issues or breaches under privacy laws.

If you wish to discuss any of these matters raised in the letter further, please contact Lucy Moon, Head of Regulation, at lmooon@energynetworks.com.au.

Yours sincerely,



Andrew Dillon
Chief Executive Officer