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Response to consultation paper: Maintaining life support customer registration when switching

Tango Energy thanks the Australian Energy Market Commission (AEMC) for the opportunity to respond to the following [consultation paper](#). Tango Energy is a rapidly growing retailer with approximately 90,000 customers, predominantly in Victoria. Tango Energy entered the New South Wales residential and small business market in March 2020.

From the consultation paper:

EWON considers that current rules under the NERR which may require a customer to resubmit medical confirmation to be a barrier for changing premises or retailer for customers with life support equipment being used at the premises. Retail electricity prices set through competitive market processes will generally deliver the best value to customers.²⁵ Therefore, to the extent that life support customers face higher barriers to access retail competition, they may be exposed to higher energy prices.

EWON has proposed the following solution:

In the event a customer changes premises or retailers, EWON proposed that the incoming and outgoing RPO transfer the following information:

- *medical confirmation form completed by the customer and filed with the outgoing RPO*
- *medical certificate or confirmation filed with the outgoing RPO*
- *a 'communication flag' noting the customer requires continued life support protections*

Proposal

We note that currently under the existing rules, customers are able to register with their distributor. If there are issues with the way this process is utilised, it may be worthwhile exploring whether this rule is still needed, or any changes to the existing process or enhancements that are needed. In any case, these are most appropriately addressed by the Australian Energy Regulator (AER) in its role as the regulator, or the Australian Energy Market Operator (AEMO) to ensure that the process works.

If the AEMC is of the view that this remains insufficient, Tango Energy proposes the following solution. Upon a retailer churn, the losing retailer could be obliged to, upon being contacted by the customer, provide the customer with a copy of the signed medical confirmation form originally provided by the customer. The winning retailer would undergo the same process of

registering a customer for life support as per current rules upon signing up the customer, which involves flagging the customer on life support and initiating the medical confirmation process, with the only difference being accepting the previously signed medical confirmation form with the previous retailer as part of their medical confirmation.

In this proposal, there would also be an exceptions process for the rare occasions where there are valid reasons for not giving or accepting a medical confirmation form (e.g. authentication fails, or there is some issue with the medical confirmation form, such as where there is reasonable cause to believe it is obtained fraudulently). These would be in rare and exceptional circumstances designed to protect the privacy of customer data. If there are any doubts, the Retailer Operational Contact List maintained by AEMO and one-off off-market retailer communication can be used to resolve any issues between retailers. Where a retailer unreasonably refuses to provide or accept a medical confirmation form, this can also be resolved by EWON in its current role.

Overall, there appears to be several options to achieve a simple, low cost solution to achieve the same outcome. Other industry-led solutions should also be considered (such as a centralised medical confirmation form process administered by AEMO, or an appropriate Government department). We note that customers generally treat the medical confirmation and concessions application process as the same process, and any harmonisation between the two is likely to lead to better customer outcomes. These would need to be carefully considered as to their costs and benefits, and implementation.

EWON's proposal on the other hand, appears to require retailer-to-retailer communications for a sufficiently robust process, and significant technical system upgrades not only to retailers' systems, but also to AEMO's B2B e-Hub. This may also require AEMO to revisit its existing B2B life support processes and potentially make extensive changes to the way information is delivered between transactions, and add another level of cost **across** the industry that could be better utilised in helping these vulnerable customers (e.g. more competitive prices – as suggested by EWON, "*Retail electricity prices set through competitive market processes will generally deliver the best value to customers*"). Furthermore, retailer to retailer B2B communication may raise competitive and privacy issues which need to be fully explored, particularly in the churn process.

Additional considerations

Given our suggestions above, Tango Energy considers that this is an opportunity for AEMC to take an industry led solution and co-regulation approach, and also an opportunity to revisit the existing life support rule and whether these are fit for current purpose.

We understand that across industry generally, registrations appear to have increased significantly since the AEMC's strengthening protections for life support customers rule change¹ took effect on 1 February 2019. We recommend the AEMC use its review powers to conduct industry wide analysis confirming whether this is the case, as this could be reflective of a wider demographic trend of interest to other policymakers and authorities, and can inform how wider reform or support can be provided to these customers more holistically.

¹ <https://www.aemc.gov.au/rule-changes/strengthening-protections-for-customers-requiring>

These would also be held in conjunction with considerations about current Government concessions and rebates for life support. As mentioned above, customers tend to treat this as one process and given that the intent of EWON's rule change is partly aimed at improving life support customer experience, any further harmonisation of the processes would result in a positive outcome for customers.

Given the issues raised by this consultation, it may also now be appropriate for the AEMC to take a more holistic assessment of whether the original rule change has achieved its purpose, and whether any further amendments are needed to ensure customers requiring life support are adequately protected while ensuring that these are delivered in the most efficient and effective manner. Specific topics that could be addressed may be in relation to:

- Whether it is appropriate that life support medical confirmation, once provided, remains indefinite, or whether it should be renewed on a two-yearly basis (similar to what is done with state Government concessions);
- The role of the distributor in the process; practical implementation of the original 1 February 2019 rule change has suggested that the distributor's ability to initiate and manage registration for the customer introduces a level of complexity (and subsequently, cost) for the customer and industry. If the ability for the customer to register with the distributor appears to not be of value to existing life support customers, then this should be reviewed as to whether it is necessary.

Lastly, Tango Energy notes that the consumer data right (CDR) will allow customer information to be transferred and accessible to consumers. While the specifics of the data sets that can be transferred between retailers are still under consultation, it is possible that future CDR reforms will provide a mechanism for life support information to be transferred between retailers, and render any extensive system changes made in the interim obsolete.

If you have any questions or would like to discuss this submission in further detail please contact me at stan@tangoenergy.com.

Sincerely,

Shawn Tan
Tango Energy