

6 March 2025

Jessica Curtis
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

RE: National Energy Retail Amendment (Improving the application of concessions to bills) Rule

Shell Energy welcomes the opportunity to provide feedback to the AEMC's consultation on the National Energy Retail Amendment (Improving the application of concessions to bills) Rule. Shell Energy supports the principles in the applications of concession reform as we agree that where customers are eligible for concessions, they should have easy access to them.

About Shell Energy in Australia

Shell Energy is an energy solutions business and renewables and battery energy storage system developer in Australia.

As the one of the largest electricity providers to commercial and industrial businesses in Australia¹, Shell Energy offers integrated solutions and market-leading² customer satisfaction, innovation across a portfolio of electricity, gas, environmental products and energy productivity. Our residential energy retailing business Powershop, acquired in 2022, serves households and small business customers in Australia.

Our generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120-megawatt Gangarri solar energy development in Queensland. Shell Energy also operates the 60MW Riverina Storage System 1 in NSW, as well as the 200MW Rangelbank Storage System and 370MW Koorangie Storage System both located in Victoria.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

Key barriers to consumers not receiving concessions or rebates

Every consumer eligible for an energy concession should be able to access it and retailers and consumers mutually benefit from efficient processes that enable customers to register their concession eligibility. We support efforts to reduce unnecessary barriers that hinder the application of concessions and improve uptake.

To ensure that eligible consumers have more opportunities to secure their concessions, Powershop has developed a series of processes that give customers reminders and opportunities to share information needed to validate the concession with the relevant state bodies. Depending on the customer's sign-up journey, we obtain concession details at the time of sign-up, or trigger communications post sign-up for

¹ By load, based on Shell Energy analysis of publicly available data.

² Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.

customers who have indicated they have a concession card but were unable to provide details at the time. If a customer does not provide the required details (or they fail validation, for example due to providing incorrect information), then the follow up processes are triggered to obtain the correct details. Regardless of the design of these processes, the responsibility for providing accurate information for concession validation remains with the customer, and without the development of a government-operated resource (described below), retailers have limited means to alleviate this burden for vulnerable consumers

It is the shared interest of retailers and consumers to improve access to concessions as they play a critical role in assisting consumers to stay on top of their bills. To improve the application of concessions for eligible individuals, retailers are required to balance the amount of information requested from customers with the need to avoid overwhelming them with excessive enquiries and confirmations.

For example, where a customer completes the sign-up process with partially complete information, our processes are designed to prompt these customers to gain the information required by the government to validate the concession. When customers do not or are unable to respond to follow up requests for this information, it becomes nearly impossible for retailers to facilitate validation of concession claims.

Some vulnerable groups eligible for concessions often face significant challenges that prevent them from claiming concessions. These include time constraints, literacy and numeracy barriers, and language difficulties, which are particularly acute in culturally and linguistically diverse (CALD) cohorts. Another barrier in the data validation process occurs when typos or mismatched details result in rejected applications and customers do not respond to follow up attempts to rectify. Overcoming entrenched systemic barriers requires a robust system that supports vulnerable or low-income consumers by simplifying the process. Ultimately, to ensure that all eligible consumers access their energy concessions, we agree that this will require removing the information gathering and sharing burden from consumers.

A potential solution may be the development of a government-operated resource, managed by Services Australia, that allows retailers to access an eligibility checking system. Similar to the design of MyID, where state and federal ID documents (such as passports, drivers licences and Medicare cards) are verified on the single platform. Ideally, with the explicit informed consent of consumers, this system could automatically validate customer information from a centralised government database and process the necessary verification required in each state. Such an approach would eliminate the need for customers to periodically inform retailers about their concession eligibility and ensure that retailers can accurately and consistently access concessions on behalf of customers and improve accuracy by accommodating changes in eligibility status over time. Developing a system with this capability would require significant input from the industry to avoid costly system builds and support the information flow needed.

State-Based Barriers

A key barrier to increasing uptake of concessions is the lack of harmonisation between states. Retailers must build and update their systems to accommodate five different concession schemes within the National Electricity Market (NEM). This adds complexity for retailers to navigate and increases the cost of system development and maintenance, ultimately adding to the cost to serve.

While we support elements of this proposal, enabling greater uptake and outcomes for concession card holders requires going beyond the energy sector and is out of scope for the AEMC. Concession card discounts are available in sectors including transport, recreation, income support, and some health services and pharmaceuticals. A whole of government approach to ensuring concession card holders receive the full benefit and understand the application of concession processes, should be prioritised and address disharmonies between state eligibility requirements, access and support. We envisage that this would need to be federal and state government designed and span across different jurisdictions and

sectors to ensure adequate uptake and awareness. A broader education program led by federal and state governments, in addition to what energy retailers already do is required to support greater awareness and uptake of concessions.

However, we acknowledge that there may be some distortion in concession access figures and achieving 100% uptake of concessions is likely impossible, particularly where only one concession may be claimed per household or for households where the concession holder is not the nominated financially responsible account holder. For instance, in households where two pensioners are eligible for a concession, only one concession may apply to the household energy bill or a youth allowance recipient living at home or in shared accommodation.

Information Sharing and Validation Issues

The proposal to create a new obligation for concession information transfer between retailers when a consumer switches retailers, at the NMI level via MSATS standing data must be weighed against the substantial system upgrades required by retailers and AEMO. This is especially important since the incoming retailer would likely already have the required information at this point of the churn process.

Every retailer would need to undertake extensive system development to implement this proposed change. MSATS serves a functional purpose in efficient market processes and was not designed to carry consumer attributes - let alone private consumer information. An AEMO system change of this nature would require a robust cost benefit analysis that tests the cost of developing this system against the perceived benefits of the rule change.

MSATS standing data is generally related to site attributes for the customer (i.e. network tariffs, distribution node locator to calculate losses, metering, address and life support status) all of which establish attributes of the site and actions related to the site. Retrospectively adding Personal Information to this system creates unnecessary complexity and compliance costs as retailers will be obligated to maintain another repository of critical customer information that has the tendency to change regularly.

The proposed requirement for retailers to proactively ask customers about their concession status at sign-up negates the need to undertake the potentially costly MASTS system upgrade to meet the proposed requirement as the new retailer would know the concession status of the customer ahead of the NMI-level data transfer detailing concession status. This is already the case in NSW.

At best, a new concession information transfer obligation will prompt retailers who have failed on their obligation to ask customers about their concession status at sign-up. Introducing this additional sharing obligation via MSATS is likely to trigger significant retailer and AEMO system builds that contradicts the price efficiency objectives designed to keep service costs low.

Shell Energy welcomes further engagement on this topic. If you have any questions or would like further details relating to this submission, please contact Brett Crossley at Brett.Crossley@shellenergy.com.au

Yours sincerely,

Libby Hawker
General Manager - Regulatory Affairs and Compliance