

8 November 2017

Mr John Pierce
Chair
Australian Energy Market Commission
PO BOX A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pierce,

Draft determination: Strengthening protections for customers requiring life support equipment

Simply Energy welcomes the opportunity to make a submission on the Australian Energy Market Commission (the Commission) Draft Rule Determination – Strengthening Protections for Customers Requiring Life Support Equipment.

As a leading second-tier retailer operating throughout the National Electricity Market, Simply Energy is committed to furthering the long-term interests of energy consumers. To this end, we are supportive of the Commission's proposed rule changes to strengthen the protections provided to life support customers.

Simply Energy considers that the rule changes will improve the life support registration process, leading to overall better outcomes for both life support customers and industry participants. In view of this, we strongly believe an appropriately adapted transitional framework is required to ensure industry participants have sufficient time to make all necessary procedural and business-to-business process changes.

Rationale for our support

Simply Energy considers the proposed changes to life support registration requirements under the National Energy Retail Rules will assist in improving:

- The level of protection provided life support customers.
 - Simply Energy considers that the proposed rules changes will improve life support customer awareness around the need to provide medical verification, while ensuring these customers remain appropriately protected prior to this documentation being provided.
 - However, it should be kept in mind that in an emergency situation, the Distribution Network Service Provider (DNSP) is likely be in the best position to respond. For this reason, the proposed rules 124(1)(vi) and 124(3)(vi) should be amended to only impose a requirement on relevant industry participants to provide the emergency contact details of the applicable DNSP. The DNSP can then facilitate communications with the relevant retailer as required.
- The accuracy of the life support registry.
 - Simply Energy supports both the retailer and the customer's DNSP being granted authority to deregister a customer who no longer requires life support protections.
 - Providing both businesses with the authority to de-register life support customers will provide industry participants greater flexibility to check and update the registry as required.

However, in order to ensure these benefits are effectively realised, Simply Energy recommends the Commission should develop a transitional framework that appropriately facilitates the application of the proposed rule changes.

Transitional considerations

Commencement date

In view of the importance of the proposed rule changes, we suggest the Commission gives due consideration to the proposed commencement date. Both retailers and DNSPs will require time to consult around relevant business-to-business procedures before making any required system changes to ensure compliance.

It is also important to keep in mind many retailers are going to need some additional time to accommodate the required system changes, as the changes will need to be made with regard to Power of Choice reforms. In view of this, we recommend that the proposed rule changes should come into effect from 1 July 2018 with a six month transitional phase-in of the relevant obligations, without compromising the protections provided to these customers.

The extended timeframe will place industry participants in a stronger position to thoroughly consider and effectively implement the proposed process changes. We believe when dealing with requirements focused on protecting those reliant on life support equipment, it is imperative industry participants have sufficient time to effectively administer and test all relevant system processes and procedures before they are operationalised.

Application to existing customers

In terms of the scope of the rule change's application, Simply Energy considers the requirement should extend to existing life support customers. Extending the scope of the rule change to include these customers will provide industry participants with greater flexibility to manage the costs and risks associated with supplying electricity to residents requiring life support equipment.

That said, the requirements should only apply to life support customers who have not provided relevant medical confirmation in the past. There is little benefit from requiring verified customers to re-confirm their medical status. In fact, undertaking such a process could even have unintended consequences and lead to some genuine life support customers failing to fulfil their obligations on the mistaken belief that they have already provided the required evidence.

Concluding Remarks

Simply Energy considers the preferable rule changes proposed by Commission under its Draft Determination will strengthen protections to those requiring life support equipment in line with the policy intent of the National Energy Retail Objective. With due consideration to the implementation timeframe, we expect the proposed procedural changes will have a positive effect on the way life support requirements are administered across the National Electricity Market.

I trust the above feedback on your draft report provides you some helpful context and stakeholder perspectives. If you would like to contact me about Simply Energy's submission please feel free to do so on (03) 8807 1171 or by email at James.Barton@simplyenergy.com.au.

Yours sincerely



James Barton
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Simply Energy