



PO Box 4136  
East Richmond VIC 3121  
T 131 806  
F 1300 661 086  
W redenergy.com.au

PO Box 4136  
East Richmond VIC 3121  
T 1300 115 866  
F 1300 136 891  
W lumoenergy.com.au



14 January 2021

Ms Merryn York  
Acting Chair  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Submitted electronically

Dear Ms York,

**Re: National Electricity Amendment (Maintaining Life Support Customer Registration When Switching) Rule Draft Determination**

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide feedback to the Australian Energy Market Commission (the Commission) on the National Electricity Amendment (Maintaining Life Support Customer Registration When Switching) Rule Draft Determination (draft determination).

While the Commission's more preferable rule is a marked improvement on the draft rule change, Red and Lumo remain concerned over the necessity of this rule change and the proposed implementation timeframe. We also question the proposal to use medical certificates for medical confirmation as it does not provide all necessary information required by retailers under the rules.

**Necessity of the rule change**

Red and Lumo remain concerned that there has been insufficient justification provided for this rule change. While the more preferable rule change is a vast improvement and we continue to support any efforts that reduce the barriers for life support customers to switch we have yet to see strong evidence that life support customers are not switching at a comparable level to other customers.

Despite the costs of implementing and complying with the more preferable rule being substantially lower than those in the original rule change, the Commission must clearly demonstrate that there is a substantial and pressing need for any rule change before progressing further. The more preferable rule will result in changes to procedures and processes for retailers, which will inevitably incur costs that will ultimately be borne by

consumers. At a time where there are ongoing pressures to ensure that charges for consumers remain as low as possible, it is crucial for the Commission not only to clearly demonstrate the need for the change, but to ensure that costs do not outweigh the benefits. At this stage, Red and Lumo remain unconvinced that this rule change provides a material benefit to offset the inevitable costs to retailers and consumers.

### **Medical Certificates**

Red and Lumo in principle support measures aiming to make it easier for consumers to provide confirmation of their medical condition. However, by themselves medical certificates do not provide key information captured in retailers existing medical confirmation forms.

Specifically, medical certificates do not provide retailers or distributors with the preferred contact details for the customer which will be used in the case of an emergency or outage. Up to date and current contact information is vital and mandatory information which must be provided by the retailer to the distributor as part of registering a life support customer. Failing to provide this information on the medical certificate means retailers will be required to contact the customer to request this information separately leading to double handling of customer inquiries. Ultimately, this leads to a poor customer experience, in particular for a set of vulnerable consumers who may have less time to deal with than their electricity company.

We note there has also been a natural level of standardisation between retailers medical confirmation forms (especially in relation to crucial information such as contact details, medical device and emergency contact), however, this standardisation does not exist in medical certificates. Doctors may fill in medical certificates in a range of different and sometimes illegible ways often missing vital information such as their own contact details or the medical devices required. This means that consumers may be required to complete a second medical confirmation form after providing the medical certificate thus eliminating much of the perceived benefit of the proposed rule change.

### **Implementation timeframe**

The Commission has indicated that it will release its final decision in February 2021 with implementation of the new rule to be complete on 4 March 2021. This would potentially allow retailers as little as 6 days to implement new scripting and acquisition processes (noting the requirement to advise customers of the new process to gain life support paperwork from the previous retailer), update related documentation and properly train staff in new processes.

Red and Lumo strongly oppose this timeframe as it is inadequate to ensure that systems, processes and our people are updated for any rule change, let alone one that is as crucial as

management of life support. A rushed implementation of any change to existing processes for retailers adds risks. These risks are magnified, as errors in a life support context can be fatal.

Should the Commission continue to progress this change, despite its potential costs and limited benefit, Red and Lumo strongly urge the Commission to set a more reasonable implementation timeframe. At least four months will allow adequate time to implement this change, which equates to a start date of 1 July 2021. Red and Lumo would instead propose an implementation date of 1 August 2021 so as to avoid the already congested 1 July period, which is likely to include price changes for customers.

### **About Red and Lumo**

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria, New South Wales, Queensland and South Australia and the ACT to over 1 million customers.

Red and Lumo thank the Commission for the opportunity to respond to its consultation paper. Should you wish to discuss aspects or have any further enquiries regarding this submission, please call Stephen White, Regulatory Manager on 0404 819 143.

Yours sincerely

A handwritten signature in black ink, appearing to be "Ramy Soussou".

**Ramy Soussou**

General Manager Regulatory Affairs & Stakeholder Relations

**Red Energy Pty Ltd**

**Lumo Energy (Australia) Pty Ltd**