

INFORMATION EXCHANGE COMMITTEE MEETING

FOR DISCUSSION

SUBJECT: ENDEAVOUR ENERGY CHANGE REQUEST – LIFE
SUPPORT NOTIFICATION DATE CLARIFICATION

AGENDA ITEM: 16

1. PURPOSE

For the IEC to discuss the change request from Endeavour Energy and make a decision to accept or reject the change request.

2. SUMMARY

Summary of change request from Endeavour Energy

Endeavour Energy (Endeavour) submitted an issue / change request with the IEC on 8 November 2019. Under the National Electricity Rules (NER) section 7.17.4 (g) within 25 business days of receipt by the IEC of a change proposal, that it must meet to determine whether on a prima facie basis, changing the B2B Procedures is warranted having regard to the National Electricity Objective (NEO), the B2B Factors, and considering the B2B Principles.

Endeavour is of the view that there is a risk around the existing life support customer deregistration due to differing interpretations of the NER and B2B Procedures including:

- That a deregistration life support notification (LSN) can only be sent when the initiator of the LSN has successfully completed the deregistration process defined in section 125 of the National Electricity Retail Rules (NERR); or opposingly; and
- That there is nothing in the NERR or B2B Procedures preventing the initiator from notifying another party that they have started the deregistration process and therefore can communicate a deregistration LSN with a future date (that being the date they intend to remove the customer's premises from having life support).

Endeavour has raised concerns that these differences of interpretation of the NERR and B2B Procedures are causing inconsistencies across the sector in relation to the communication of the deregistration process for life support customers, which puts at risk a life support customer being deregistered prematurely. These inconsistencies have resulted in some participants self-reporting breaches in relation to life support to the Australian Energy Regulator.

Endeavour believes that this issue requires urgent attention because it creates a risk that a life support customer can be de-registered prior to the life support customer having the opportunity to confirm if life support is still required at a premises.

AEMO's assessment

In 2016 during the development of the Competition in Metering B2B changes, AEMO sought external legal advice, at the request of the IEC, to clarify the nature of what could be included in the B2B Procedures. The substance of this legal advice as it related to clarifying (among other matters) the scope of the B2B Procedures was reflected in the IEC minutes of 9 November 2016 as follows:

The Committee discussed the independent legal advice on the scope of the B2B procedures. Within this context, the Committee:

- *Agreed that the B2B procedures should include only material that is within its jurisdiction and that material outside its scope may be included in the B2B procedures as 'guidance notes' on the following basis:*
 1. *Each piece of material outside the scope of the B2B procedures should be clearly identified as not enforceable as a B2B Procedure;*
 2. *If the material that is outside of B2B procedure scope restates a jurisdictional or other legal requirement, the source should be referenced appropriately; and*
 3. *AEMO Legal will redraft the B2B Procedures to soften or remove obligations as appropriate.*

The IEC recognised that the inclusion of this material is solely for the purposes of assisting participants to understand their related legal obligations or industry accepted business practices.

This means that the proposed change (in wording) to the procedures as suggested by Endeavour is inconsistent with the above legal position. However, the issue as raised is consistent with the B2B Principles and consistent with the National Electricity Objectives and is clearly causing concerns between a number of participants, and the Australian Energy Regulator.

B2B Working Group's life support program of work

The B2B-WG is considering several matters relating to the current life support rules in its December meeting. The issue as raised by Endeavour can be included on the agenda and discussed in the context of the suite of other issues being discussed. Alternative wording can also be considered as part of these considerations.

3. RECOMMENDATIONS

It is recommended that the IEC accept the change proposal from Endeavour Energy and refer it to the B2B-WG for advice.

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