

INFORMATION EXCHANGE COMMITTEE MEETING

FOR DISCUSSION

SUBJECT: AEMC ISSUES PAPER ON EWON LIFE SUPPORT RULE
CHANGE PROPOSAL

AGENDA ITEM: 8

1. PURPOSE

The purpose of this briefing is to:

- Provide an overview of the rule change request from the Energy and Water Ombudsman of New South Wales (EWON) which aims to facilitate the transfer of life support information when a customer changes premise or retailer
- Facilitate discussion on the value of the IEC providing a submission to the Australian Energy Market Commission (AEMC) on the Issues Paper and / or the draft determination
- Consider the merit of the IEC seeking greater engagement with the AEMC on relevant rule changes

2. BACKGROUND

The AEMC has commenced consultation on a rule change request from EWON, which proposes amendments to the National Electricity Retail Rules (NERR). The request aims to facilitate the transfer of life support information when life support customers change premises or retailer. In its rule change request, EWON raised concerns that the costs associated with securing a new medical certificate each time a customer changes retailer may deter life support customers from accessing competitive retail offers. The AEMC Issues Paper can be found [here](#).

The NERR imposes obligations on retailers and distributors to provide additional safeguards for consumers using life support equipment with respect to de-energisation of premises and notification of planned interruptions. In order to access these protections, life support customers are required to provide medical confirmation.

Currently, the NERR allows energy businesses to require a customer to resubmit medical confirmation in a number of situations when a life support customer changes premises or retailer. EWON proposed that changes be made to enable outgoing retailers or distributors to share relevant medical information with the new retailer or distributor selected by the customer.

The EWON rule change request raises a range of issues including the:

- Appropriate allocation of responsibility between life support customers and energy businesses with respect to the resubmission of medical confirmation
- Impact on life support customers of higher barriers for engagement in the retail market, including the costs of securing medical confirmation each time a life support customer changes premises or retailer

- Costs and benefits of retailers and distributors sharing of medical confirmation forms, with particular consideration to privacy issues and costs of changes to existing systems and (jurisdictional) policies

Written submissions close on 3 September 2020.

3. DISCUSSION

This section of the briefing will be used as a discussion framework during the IEC meeting to determine whether there is merit in it providing a submission to the AEMC Issues Paper on EWON's rule change proposal.

AEMC Rule Assessment Framework

In its Issues Paper, the AEMC has posed questions relating to:

- It's proposed assessment framework for the rule change, which includes criteria to assess whether the proposed rule is likely to promote the national energy retail objective (NERO):
 - Improves access to retail market competition
 - Improves transparency and certainty on the requirements
 - Allocates risk and costs between life support customers, retailers and distributors appropriately and avoids unnecessary regulatory and administrative burdens and costs
- Whether a change would be compatible with the development and application of consumer protections, particularly protections for life support customers
- Issues relating to life support obligations and switching
- Materiality of the issues raised by EWON including any costs, barriers and risk allocation
- Solutions and stakeholder views on sharing of medical confirmation forms between businesses, the costs and benefits of the proposed solution by EWON, and alternative pathways or solutions.

The Commission also wishes to understand how retailers and DNSPs record, share, use and maintain life support information in practice, including via B2B procedures. This includes understanding the other uses of life support information, for example, for jurisdictional life support concessions and rebates.

Question to IEC

In relation to the AEMC's rule assessment framework, are there any of the questions posed where the IEC believes that it can add value in providing a response?

Are there other considerations that the IEC believes that would be of value in including in a submission the Issues Paper. The IEC could consider:

- Rather than addressing the issues raised by the AEMC, could the IEC input relate to potential timing of any changes, based on the existing B2B program of work?
 - How does this proposal sit in the relative priorities of other changes that are occurring in the B2B space?
 - Will this impact any of the current discussions occurring at the B2B-WG?

- Provide a response to the AEMC on the potential magnitude of any changes – both system and cost changes.
 - Is this practical at this stage of the rule change?
 - Should this be considered at the Draft Determination stage?
 - Is it practical (or possible) to provide a system or cost magnitude for the potential changes for all of industry, or should it just focus on AEMO?
 - Is this better addressed within industry submissions?
- How should the IEC seek to influence the AEMC given individual retailers and distributors are likely to provide individual submissions to the proposed changes?
- Is it better to reach out to the AEMC's project lead for this consultation for a verbal discussion?
 - Would this add value?
 - What questions / points would the IEC like to raise?
- Is it more appropriate to potentially provide a response to the AEMC after it has published a Draft Determination which will propose a solution?
- Are there any other matters the IEC wishes to consider?

4. RECOMMENDATIONS

It is recommended that the IEC provides direction to the AEMO Secretariat on whether:

- It wishes to provide a submission to the AEMC Issues Paper, and
- Requires an additional briefing once the AEMC Draft Determination has been released.

AUTHOR NAME:	MICHELLE NORRIS
APPROVED:	16 AUGUST 2020