



AGL Energy Limited

T 02 9921 2999

F 02 9921 2552

agl.com.au

ABN: 74 115 061 375

Level 24, 200 George St

Sydney NSW 2000

Locked Bag 1837

St Leonards NSW 2065

Australian Energy Market Commission

Submitted online via: www.aemc.gov.au

02 September 2020

Dear Sir/Madam,

AEMC RRC0038: Energy and Water Ombudsman of New South Wales (EWON) Rule change request for National Energy Retail Rules (NERR)

AGL Energy (AGL), welcomes the opportunity to respond to the Australian Energy Market Commission's National Energy Retail Amendment (Maintaining life support customer registration when switching) Rule consultation paper.

AGL supports the principle that customers who require life support machines having access to affordable energy plans and reliable energy supply. However, AGL does not believe this rule change proposal adequately addresses the complexity of the process and procedures employed for life support customers and therefore is not the most effective way in achieving this principle.

Life support customers may also be eligible for state-based energy concession payments, for example in New South Wales life support customers may be entitled to the Life Support Energy Rebate. The interplay between the energy life support registration rules with states' concessions for life support or medical energy makes it difficult to assess the EWON proposal. We would recommend the AEMC to consider how the various and complex state-based life support concession application processes will impact the customer experience for registering Life Support requirements and their ability to access competitive market offers.

EWON's Rule proposal and preferred Rule

In their rule change proposal, EWON suggest that they have received several complaints about this issue and provide a case study to illustrate the customer experiencing issues with registration upon churning to another retailer. While this complaint may occur, AGL would suggest that this is not an experience that significant numbers of customer's are concerned with. AGL has found that the registration process for life support customers whilst sometimes inconvenient is less of a concern to the customer than the concession that is applicable to those customers in some states.

EWON's proposal seems to be aimed at ensuring that life support customers have easy access to affordable energy plans. AGL would suggest that an alternative proposal would be to create a rule that life support customers are accessing affordable energy plans. The process would specifically consist of an annual plan assessment for customer registered for life support to determine if they are on the most appropriate plan available based on their geographic location and usage profile.

We believe an annual plan assessment proposal better aligns with the intent of EWON's rule change proposal and the AEMC's assessment criteria by providing uniform treatment of life support customers and ensuring life support customers have access to competitive market offers without potentially having to re-register for life support as well as life support concession payments.

We also believe this preferred Rule will be simpler for retailers to adopt as it currently aligns with the NSW Social Code plan assessment obligations without significant B2B process changes. This proposal could also



be implemented by end of the first quarter 2021 and is likely to incur lower implementation costs than the current rule change proposal.

Complexity of EWON proposal

There are several inherent complexities in the life support concession application processes that the EWON proposal does not consider and may negatively impact on the customer experience.

For instance, EWON's proposal does not address how the private information of customers would be transferred safely between retailers. Currently state government processes to access life support concession payments require customers to complete and return to their retailer the medical confirmation form that features specific information about their requirements, their retailer account number and various personal details. This information would require a new secure platform to be established for the transfer of this data which would be costly and perhaps quickly made redundant depending on whether life support customer information is transferred under the new consumer data right process currently being drafted and due to be implemented in late 2021.

In addition, each state has its own arrangement and time limits for concession applications and renewals. For example, New South Wales requires life support customers to renew their life support concession with a medical confirmation every two years. For customers eligible for jurisdictional life support concessions, the proposed rule would not mean a customer is able to avoid the need to obtain medical confirmation. The rule change proposed by EWON does not adequately consider the interconnect with concession requirements nor does it provide any suggestion on how to address the need for customers to obtain medical clearance for the concession applications.

There are also some concerns on how the current energy Rule registration requirements may impact life support customer's ability to churn and requires further clarity from the AEMC. Specifically, there are ambiguities with the current obligations for the registration process owners (RPO). Under the current rules and regulations when a distributor registers as an RPO but a customer subsequently provides paperwork to their retailer, some distributors are not accepting the retailers' paperwork and are requesting the customer to re-lodge the paperwork. AGL believes greater clarity in the Rules on the roles and responsibilities of all parties throughout the churn process to ensure continued customer connection to services will further enhance the life support customer's ability to participate in the retail market.

Finally, if AEMC decides to pursue the EWON proposal, AGL encourages the AEMC to organise and seek collaboration between the state governments and industry participants, to map out the customer journey and consider whether there are solutions that address both the life support registration and concession application processes.

In the attachment we provide responses against the specific questions raised in the AEMC Consultation Paper. If you would like to discuss any aspects of our response further please contact Marika Suszko, acting Regulatory Strategy Manager, msuszko@agl.com.au.

Yours sincerely

Elizabeth Molyneux
General Manager, Policy and Markets Regulation