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Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne, Victoria 3000

Email: <https://engage.vic.gov.au/>

Dear Essential Services Commission

Strengthening protections for life support customers draft decision

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group or Powershop) thanks the Essential Services Commission (ESC) for the opportunity to provide comments on the ESC's Strengthening protections for life support customers draft decision (the Decision).

Background on the MEA Group

MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. We opened our portfolio of generation assets with the Mt Millar Wind Farm in South Australia, followed by the Mt Mercer Wind Farm in Victoria. In early 2018 we acquired the Hume, Burrinjuck and Keepit hydroelectric power stations, further expanding our modes of generation. We have supplemented our asset portfolio by entering into a number of power purchase agreements with other renewable generators, and through this investment in new generation we have continued to support Australia's transition to renewable energy.

Powershop is an innovative retailer committed to providing lower prices for customers and which recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system. Over the last five years, Powershop has introduced a number of significant, innovative and customer-centric initiatives into the Victorian market, including the first mobile app that allows customers to monitor their usage, a peer-to-peer solar trading trial and a successful customer-led demand response program. Powershop has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton hydro project, and funding a large range of community and social enterprise energy projects through our Your Community Energy program.

MEA Group supports the ESC in its review of the current life support protections in the Energy Retail Code (ERC). However, if the ESC is seeking to align life support protections to the National Energy Retail Rules (NERR) as its basis for this Decision, then MEA Group suggests a full harmonisation and adoption of the NERR life support protections. The opportunity to harmonise life support requirements to the NERR was not taken in 2013 and therefore we encourage the ESC to exercise this opportunity now.

A key factor in calculating the Victorian Default Offer (effective 1 July 2019) was to ensure that retailer costs are based on those of an efficient retailer. Applying two separate regulatory frameworks and a separate suite of processes for fundamentally the same obligations, based on jurisdictional bias does not achieve retailer efficiency and impose further costs which will ultimately be borne by customers.

MEA Group also believes that with no clear evidence presented in the paper (e.g. industry trends or incidents provided), the five additional protections outlined in the Decision are not required. Further research (e.g. a Regulatory Impact Statement) and consultation should be undertaken with key industry stakeholders to understand their potential consequences before implementation should be considered.

Please find below our responses to particular questions raised in the Decision.

1. Could each distributor, retailer and exempt person advise how many customer premises are currently registered as requiring life support equipment in Victoria?

MEA Group has 192 active Victorian customers currently registered for life support.

Seeking stakeholder views on challenges in implementing the national life support rules in other jurisdictions

2. What, if any, are the challenges and issues that stakeholders have experienced in other jurisdictions that we need to be aware of, to inform our final decision?

MEA Group encountered system development and timeline issues when implementing the required changes linked to the NERR obligations that came into effect 1 February 2019.

Seeking stakeholder views on whether medical confirmation is necessary

3. What are the benefits or risks associated with removing the obligation on customers to provide confirmation from a registered medical practitioner that a person residing or intending to reside at premises requires life support equipment (as described in the two alternative approaches above)?

MEA Group believes customers would receive benefits that they are not otherwise entitled. When a customer advises they require life support, a retailer is required to confirm that a customer is entitled to receive the Department of Health and Human Services (DHHS) life support concession (based on their equipment type). If a customer is no longer required to provide medical certification as evidence then we may not be able to provide them this concession under the DHHS requirements.

Requiring evidence of life support is needed to identify genuine life support customers, which is very important in the event of an unplanned outage. During an unplanned outage a distribution network may need to deploy resources to life support customers if there is a concern about a life support customer's welfare.

The prohibition on de-energising premises with a life support registration confirmed is a strong protection for customers. This protection allows retailers and distributors alike to confirm through evidence that life support is required and efficiently allocate resources accordingly.

MEA Group strongly encourages the continuance for customers to provide confirmation of life support equipment from a medical practitioner. Ceasing this requirement introduces significant risks for no material gain.

4. If Victoria does not adopt the medical confirmation process, are there any circumstances in which a retailer, distributor or exempt person should be able to require a customer to provide medical confirmation?

As detailed above, removing the need medical confirmation should not be considered.

Seeking stakeholder views on privacy requirements in our codes

5. Specifically, whether our codes should include the following:
 - where the person who requires life support equipment is not the customer of the retailer or exempt seller, that medical confirmation be provided with the consent of the individual who requires the life support equipment (or a person authorised to consent on their behalf, such as a power of attorney) unless this is unreasonable or impracticable; and
 - a requirement that a person who requires life support equipment consents to the medical confirmation being disclosed to other relevant energy businesses in accordance with the codes.

MEA Group believes that regardless of the ERC or NERR, privacy protections are provided to customers under relevant privacy legislation. MEA Group does not support derogated privacy rules for a small group of customers when national legislation adequately protects these customers.

Seeking stakeholder views on whether distributors should be able to de-register some life support customers

7. We are interested in whether requiring retailers to ask customers about whether they are a life support customer is sufficient to disallow distributors being able to de-register life support customers. Particularly in the situation where the distributor is not the registration process owner, but becomes aware that the customer has changed retailers without notifying the new retailer they are a life support customer.

MEA Group asks all customers whether life support is required as part of the sign-up process.

Seeking stakeholder views on the time-bound notification requirements

8. Can stakeholders envisage any issues with requiring the registration process owner to notify the other party within one business day after being notified by the customer? If so, please provide reasons why this would be challenging to implement.

MEA group agrees with the importance of ensuring that other stakeholders are notified as soon as possible about life support equipment at a customer's premise. Whilst MEA group envisages that a one business day turnaround would be manageable for the majority of retailers, this turnaround time could present a challenge for retailers who sign up to a contract through a third party sales channel due to extended processing times.

This could also be challenging where customers select equipment that needs verifying – for example the 'other' life support equipment option, where MEA group would need to verify with the customer whether the equipment stated is life support, sensitive load or neither.

MEA Group encourages the ESC to harmonise in full the NERR obligations. The protection of life support customers should be treated consistently across the NEM (including Victoria), not divided by state-based regulations. The ESC need to also ensure that there are no unintended system change requirements based on the drafting of any new requirements, in view of the substantial system changes that were implemented for the February 2019 life support notification changes.

If you have any queries or would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely,



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