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17 September 2019

Ms Kate Symons  
Chairperson  
Essential Services Commission  
Level 37, 2 Lonsdale St  
Melbourne VIC 3000

Submitted via email [energy.submissions@esc.vic.gov.au](mailto:energy.submissions@esc.vic.gov.au)

Dear Ms Symons,

### **Re: Strengthening protections for life support customers: Draft Decision**

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide feedback to the Essential Services Commission (the Commission) on its Draft Decision to strengthen protections for life support customers (Draft Decision). Red and Lumo support the Commission seeking to improve protections for customers who require life support and thoroughly support its decision to use the National Energy Retail Rules (NERR) to guide its amendments to the Energy Retail Code.

While we support the Commission's decision to adopt the NERR but to make amendments as necessary to improve outcomes for both retailers and consumers in Victoria, our preference is for regulators to avoid state based derogations where possible.

### **One business day notice period**

Red and Lumo acknowledge the Commission's decision to mandate a set time period for the registration of a life support customer. However, we recommend a longer period than a single business day, which will prove very difficult to manage in some instances.

This timeframe fails to account for the role of third parties (such as field sales channels or switching sites) in the acquisition and registration of life support customers. These channels can potentially add to the time it takes to confirm details and then on board and register consumers. Another issue we encourage the Commission to consider is the registration of gas customers. The Commission is aware that this is a new requirement for gas distribution networks and for retailers who only operate in Victoria.

Within this context, we believe that a 5 business day period is a reasonable timeframe with registration process owners to update their own systems and to then also notify the other party. This would allow retailers and networks to comply with their obligations, while recognising the full range of acquisition and contracting processes in the Victorian market.

### **Clarity around life support for gas and/or electricity**

Red and Lumo strongly support the Commission's proposal for the confirmation of consumers' specific requirements for life support, namely, whether it relates to the supply of electricity or gas, or both fuels. Currently retailers operating in other states are expected to automatically register any consumer who requires register for life support for both electricity and gas. This not only creates inefficiencies for retailers but creates unnecessary disruption for distribution networks.

The consultation paper provides clear guidance to the market to ensure that consumers are correctly registered for the supply of the specific energy source that is required (noting that this may be electricity or gas or both as per the customer's medical requirements). We would strongly encourage the Commission to maintain this position in its final decision report and to work with the Australian Energy Regulator (AER) to implement similar approach in the NERR.

### **Registration by medical certificate**

Red and Lumo support the proposed use of medical certificates (signed by a medical practitioner) for confirmation of life support. However, we have concerns that the proposal to "amend the required content of the medical confirmation form to include medical confirmation or a current medical certificate"<sup>1</sup> will potentially lead to more confusion and negatively impact both the retailers and consumers.

Currently, retailers use an approved confirmation form that captures crucial information not only about the specific medical condition (which requires life support registration) but also about the consumer and the device at the property. The use of a medical certificate in place of this form means that some consumers will not provide adequate or complete information to the retailer or distributor, which will likely require follow up and rework for both the consumer and retailer or distributor.

While we believe the use of a medical certificate for confirmation is a positive step forward this must be incorporated into the existing medical confirmation form as it currently stands. Incorporating the two will allow for an improved process for consumers looking to register their life support device while still ensuring the retailer receives the required information and can register the consumer correctly.

### **Transitional timeframes**

While at this stage the proposed transitional timeframe appears reasonable and appropriate we would support further discussions with the Commission to fully understand the requirements and the potential impact on businesses to allow for a seamless implementation of the changes.

### **About Red and Lumo**

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

Should the Commission have any enquiries regarding this submission, please call Stephen White, Regulatory Manager on 0404 819 143.

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<sup>1</sup> Essential Services Commission, Strengthening Protections for Life Support Customers, Draft Decision, August 2019, p39



Yours sincerely

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

**Ramy Soussou**  
General Manager Regulatory Affairs & Stakeholder Relations  
**Red Energy Pty Ltd**  
**Lumo Energy (Australia) Pty Ltd**