

Supporting the implementation of the network relief package – summary of discussion at stakeholder workshop (8 July 2020)

On 8 July 2020, we held a stakeholder discussion on the support retailers have received from distribution networks as highlighted in our draft decision ‘Supporting energy customers through the coronavirus pandemic’. At the workshop, we received feedback from energy retailers and industry bodies which is summarised below by key themes. The slides presented at the workshop and a recording of the session are also available on our website.

Support during April, May and June

Network charge relief relating to small business customers

- Some retailers noted that the initial support package from distributors provided minimal benefit for customers. One retailer observed write-offs and deferrals of network charges between \$1–\$50. Some retailers noted the benefits to the customer were small when compared to the effort required to administer the requests.
- The general view from retailers was that the eligibility thresholds were set too high particularly for small business customers. Retailers observed that even businesses that go into hibernation may not see a 75 per cent reduction in consumption as they may have large fixed energy needs, for example the running of fridges.
- Some retailers raised that the process where the distributors passes a list to retailers of eligible small business customers resulted in some customers receiving support before they have requested it. It was questioned whether this was appropriate.
- A distributor raised that the thresholds were set to what a small business customer in hibernation was predicted to look like – the package reaches seven to nine percent of customers.

Network charge relief relating to residential customers

- Retailers commented that the residential relief should not have been restricted to customers that entered hardship after the first lockdown was initiated, and that those most affected have

been customers that were already in hardship. It was highlighted that other jurisdictions did not have this cut-off criteria.

- It was noted by industry that some of the residential package did not have requirements, such as the 20 per cent residential deferral for small retailers

Support for the future

- Retailers welcomed ongoing support from distributors however, they suggested that the thresholds should be revisited and targeted to customers that require it.
- Distributors announced that they are extending the current package by at least a month until the Australian Energy Market Commission announces the final decision for the network deferral rule change. Following the rule release, distributors believe they can achieve the intent of the rule change through a voluntary approach.
- One retailer suggested that an appropriate measure for which small business should be eligible is whether they are receiving JobKeeper support, as it would indicate what position the business is in.
- Distributors indicated that the criteria for eligible customers from the first package would continue through to July, but also noted that the 20 per cent deferral for small retailers would likely capture the customers in hardship.
- Retailers also questioned the role of Essential Services Commission in this area, particularly given the current network relief is a voluntary scheme.
- The commission responded that at the moment it is monitoring what is going on and if the voluntary approach is appropriate it would be supported.