



**Review of the *Electricity Industry (Metering) Code*
2012 Life Support Equipment Provisions**

Draft Recommendations Report

Department of Finance | Public Utilities Office

May 2015

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1. Introduction

1.1 Background

The *Electricity Industry (Metering) Code 2012* (the **Metering Code 2012**) has been established by the Minister for Energy (the **Minister**) under section 39 of the *Electricity Industry Act 2004* (the **Act**).

In accordance with section 39 of the Act, the Metering Code 2012 sets out the rights, obligations and responsibilities of Code participants with respect to the measurement of electricity and the provision of metering services.

The Metering Code 2012 applies to electricity generators, network operators and retailers, in line with the terms of their operating licences. The Economic Regulation Authority grants these licences and enforces compliance with the Code obligations.¹

It is also a condition of the generation licence exemption in clause 3 of the *Electricity Industry Exemption Order 2005* (the **Exemption Order**) that exempt parties comply with the Metering Code 2012 if their generating works are connected to a electricity transmission or distribution network operated by an electricity corporation and forming part of the South West Interconnected System (the **SWIS**).²

1.2 Objectives of the review

The review will determine whether amendments to clause 5.19(2)(c) of the Metering Code 2012 are required to more efficiently protect residents on life support equipment who are supplied with electricity through on-selling arrangements.³ Any proposed amendments will seek to ensure that the requirements for notifying these consumers⁴ of planned electricity network outages are efficient and effective.

¹ See Part 2 of the Act.

² In effect, this is the portion of the SWIS owned and operated by Western Power.

³ On-sellers purchase electricity from a licensed retailer at a master meter and on-sell these supplies under a licence exemption to consumers who sit behind the master meter on sub-meters. The sub-meters are in an embedded network controlled by the on-seller. Residential on-selling arrangements are usually found in retirement villages, caravan parks and strata-titled complexes.

⁴ 'Life support equipment' is defined in the *Code of Conduct for the Supply of Electricity to Small Use Customers* as 'the equipment designated under the Life Support Equipment Electricity Subsidy Scheme.' Further information on the Scheme can be found on the Office of State Revenue website:
http://www.finance.wa.gov.au/cms/State_Revenue/Other_Schemes/Life_Support_Equipment_Energy_Subsidy.aspx.

The review will also assess residential on-selling licence exemptions in the Exemption Order and the *Electricity Industry (Caravan Park Operators) Exemption Order 2005* (the **Caravan Park Order**), to determine if conditions should be attached to the licence exemptions requiring on-sellers to pass on planned outage notifications to residents⁵ who rely on life support equipment.

1.3 Scope of the review

To meet the review objectives, the Department of Finance, Public Utilities Office will undertake the following steps.

- Identify possible amendments to the Metering Code 2012, Exemption Order and Caravan Park Order to ensure these instruments:
 - facilitate regulatory efficiency; and
 - provide suitable protection to residents with life support equipment in on-selling arrangements when there is a planned electricity network outage.
- Consult with stakeholders on these potential amendments.
- Make recommendations to the Minister on amendments to the Metering Code 2012, Exemption Order and Caravan Park Order (if required).

The scope of this review does not include matters relating to individual licensee compliance with the Metering Code 2012, or operational decisions made by Code participants.

1.4 Work program and timetable

Activity	Dates
Publish Draft Recommendations Report	1 May 2015
Receive submissions on the Draft Recommendations Report	22 May 2015
Review and finalise recommended amendments to the Metering Code, Exemption Order and Caravan Park Order	early July 2015
Seek Ministerial approval to amend the Metering Code, Exemption Order and Caravan Park Order (if required)	end July 2015

⁵ The review will encompass consideration of a 'resident' as defined in the Exemption Order and a 'permanent park resident' as defined in the Caravan Park Order. Such persons include those who occupy a site in a caravan park, retirement village, or in a strata title arrangement, where those premises are the person's principal place of residence.

1.5 Invitation for submissions

The Public Utilities Office invites submissions on the proposed recommendations outlined in this report by **5.00 pm (WST), Friday 22 May 2015**. Electronic submissions are preferred and should be emailed to: PUOSubmissions@finance.wa.gov.au. Alternatively, printed submissions may be posted to:

Ms Chloe Upton
Principal Policy Officer - Regulation
Markets and Regulation Division
Public Utilities Office, Department of Finance
Locked Bag 11
Cloisters Square WA 6850

Content of Submissions

A template for submissions is not provided. The Public Utilities Office encourages stakeholders to make submissions based on their expertise and knowledge of the topic.

Submissions should address the specific recommendations outlined in this report.

Confidentiality

Please indicate on the covering page of your submission if you wish part or all of your submission to be treated as confidential. Unless otherwise requested, submissions will be made available at www.finance.wa.gov.au/publicutilitiesoffice.

Requests for the disclosure of confidential submissions will be dealt with in accordance with the *Freedom of Information Act 1992* (WA) and the Department of Finance's information disclosure processes (see <http://www.finance.wa.gov.au> for further information).

Enquiries

Further information on this report or the review process can be obtained from Ms Chloe Upton, Principal Policy Officer - Regulation, Public Utilities Office on (08) 6551 4701 or at chloe.upton@finance.wa.gov.au.

2. Persons with life support equipment

2.1 Background

Metering Code

Following the review undertaken by the former Office of Energy between 2010 and 2012, the *Electricity Industry Metering Code 2005* (the **Metering Code 2005**) was repealed and replaced by the Metering Code 2012. The Metering Code 2012 is, in effect, an amended version of the Metering Code 2005.⁶

Before it was repealed, clause 5.19(2) of the Metering Code 2005 required electricity retailers to collect and maintain certain information relating to their direct customers (that is, only those customers with a direct billing relationship with the retailer). This information included customer contact details and whether there is a person requiring life support equipment resident within the premises. A retailer did not have to collect and maintain this information for persons subject to residential on-selling arrangements.

Clause 5.19(2)(c) of the current Metering Code 2012 includes a more expansive requirement for electricity retailers to collect and maintain the street address and phone number of any person residing at a premise requiring life support equipment, that it supplies either directly or indirectly. The effect of this provision is that electricity retailers are required to collect and maintain information from customers with whom there is not a direct billing relationship.

The *Code of Conduct for the Supply of Electricity to Small Use Customers* (the **Small Use Customer Code**) requires that retailers notify direct customers of any planned network outages. This requirement applies only to customers who consume less than 160 MWh of electricity per annum (based on annual throughput at the connection point). The requirement does not apply to the notification of electricity consumers in an on-selling relationship.

Life support equipment customers

Western Power has advised the Public Utilities Office that it has about 2,728 persons on its life support equipment register.⁷

⁶ Between June 2010 and August 2011, the former Office of Energy reviewed the Metering Code 2005. It published a Final Recommendations Report in August 2011, which detailed final recommended Code amendments for consideration by the then Minister for Energy. The Public Utilities Office managed the drafting of the Code amendments approved by the Minister. These amendments were gazetted in December 2012.

Full details of the Metering Code 2005 review, including all published documents, can be found on the Department of Finance website at:

http://www.finance.wa.gov.au/cms/Public_Utility_Office/Energy_Initiatives/Electricity_Industry_Metering_Code_Review.aspx

⁷ The majority of these persons are residential customers supplied by Synergy.

Western Power has identified about 80 on-selling sites where a person with life support equipment resides within the SWIS, including 10 sites that have multiple persons with life support equipment.⁸ Based on this information, it is estimated there are about 100 persons with life support equipment in the SWIS who are being provided with electricity through on-selling arrangements.

2.2 Proposed Metering Code amendments

It is recommended that clauses 5.19(2)(c)(iii) and (iv) of the Metering Code 2012 are amended to remove the requirement for electricity retailers⁹ to collect and maintain details of the street address and phone numbers of residents in an on-selling arrangement requiring life support equipment.

This amendment would mean electricity network operators and retailers will be required collect and maintain information only on a direct customer. This will, in effect, make the obligations of Metering Code 2012 consistent with those formerly required under the Metering Code 2005.

Recommendation 1

- It is recommended that sub-clauses 5.19(2)(c)(iii) and (iv) of the Metering Code 2012 are amended to remove the requirement for retailers to collect and maintain details of the street address and phone number of persons residing at a site who require life support equipment. In effect, the amended clauses will replicate the former provisions in the Metering Code 2005.

Rationale for Recommendation

Western Power and Synergy have advised the Public Utilities Office that it will cost about \$1.4 million to upgrade their data systems and communication rules to comply with the life support equipment related obligations under the Metering Code 2012.¹⁰ Other licensed retailers operating in the SWIS may also incur system upgrade expenses to comply with the Code requirement.

The Public Utilities Office has considered whether the customer protection measures can be achieved in a more cost effective manner, particularly given that there are only around 100 people with life support equipment subject to electricity on-selling arrangements in the SWIS.

As licensed electricity retailers have no direct billing relationship with those residents in on-selling arrangements, it is difficult and costly for them to obtain information about those persons requiring life support equipment.

⁸ Letter from Western Power to the Public Utilities Office dated 28 July 2014.

⁹ Under the Metering Code 2012, retailers are referred to as 'users'. A 'user' is a person with an 'access contract.' An 'access contract' is an agreement between a network operator and a person for the person to have access to network services, such as metering and transporting electricity into and out of the network. A 'user' is generally an electricity retailer or generator. In the case of clause 5.19(c) of the Metering Code 2012, the 'user' is the licensed retailer.

¹⁰ Information provided to the Public Utilities Office by Synergy and Western Power on 22 July 2014.

Furthermore, the Small Use Customer Code¹¹ requires the network operator to notify only the 'customer' at the supply address where life support equipment is registered of a planned outage. In the case of on-selling arrangements, the customer is the on-seller who controls the master meter, not the resident requiring life support equipment.

As the information collected by electricity retailers relating to residents with life support equipment in on-selling arrangements (as per the Metering Code 2012 requirements) is not used for outage notification purposes, the Code provisions offer no additional customer protections.

The National Energy Retail Rules, Victorian Energy Retail Code and Queensland's Electricity Industry Code are similar to the Small Use Customer Code, in that they require electricity network operators and retailers to collect and maintain records of a direct customer who has a person residing on their premises requiring life support equipment.¹² These Rules and Codes do not require the network operator to collect and maintain records of individual consumers subject to on-selling arrangements.

Therefore, the Public Utilities Office recommends amending clauses 5.19(2)(c)(iii) and (iv) of the Metering Code 2012 to remove the requirement for retailers to collect and maintain details of the street address and phone number of persons residing at a site who require life support equipment on the basis that:

- the estimated system change costs to be incurred by Western Power and licensed electricity retailers are high when compared with other methods of providing the same protection;
- the Small Use Customer Code requires electricity network operators to notify only the customer at the supply address of a planned outage (i.e. the person who controls the master meter); and
- equivalent protection could be achieved more cost effectively if the Exemption Order and Caravan Park Order are amended to include conditions requiring residential on-sellers and caravan park operators to:
 - collect and maintain details of residents they supply who have life support equipment; and
 - pass on planned outage notifications to those residents (further information on this recommendation is detailed below).

2.3 Proposed licence exemption amendments

It is recommended that the Exemption Order and the Caravan Park Order are amended to include conditions requiring residential on-sellers and caravan park operators to:

- to the extent reasonably practicable, collect and maintain details of whether any person residing on their premises requires life support equipment; and
- pass on planned outage notifications from the network operator to those on life support equipment.

¹¹ Clause 7.7(4) of the Small Use Customer Code.

¹² National Energy Retail Rules clauses 124-125; Energy Retail Code 2013 (Vic) clause 26.7; Electricity Industry Code 17th edition (Qld) clause 4.20.

A person providing this information to the on-seller will need to provide the information in the manner prescribed in clause 5.19(2A) of the Metering Code 2012. That is, confirmation of the requirement for life support equipment must be provided by a registered medical practitioner.

Recommendation 2

- It is recommended that:
 - The Exemption Order and Caravan Park Order are amended to include conditions requiring residential on-sellers and caravan park operators, to the extent reasonably practicable, to collect and maintain details of residents who have a person residing at the customer's premises that requires life support equipment.
 - Confirmation must be provided in the manner prescribed in clause 5.19(2A) of the Metering Code 2012.
 - If confirmation is provided in the manner prescribed in clause 5.19(2A), the on-seller/caravan park operator must:
 - maintain a record of all residents on life support equipment residing on the premises; and
 - pass on planned outage notifications received from the network operator to the resident.

Rationale for recommendation

Licence exemption conditions requiring residential on-sellers and caravan park operators to collect and maintain details of residents requiring life support equipment, and to pass on planned outage notifications, will reduce the risk of a resident in an on-selling arrangement on life support equipment not being notified of a planned outage.

Residential on-sellers and caravan park operators who on-sell electricity have visibility of their customers and premises, whereas licensed electricity network operators and retailers do not. This places the residential on-seller or caravan park operator in a better position to meet the needs of their customers.

Because there are only around 100 residents with life support equipment in on-selling arrangements in embedded networks connected to the SWIS, not every on-seller or caravan park operator will supply electricity to a person with life support equipment. As an indication, Western Power has advised the Public Utilities Office that it is aware of only 11 caravan parks that accommodate a resident with life support equipment.¹³

For those on-sellers and caravan park operators that do supply a resident who requires life support equipment, the cost of keeping a record of contact details of these residents and passing on outage notifications will be small.

¹³ Letter from Western Power to the Public Utilities Office dated 28 July 2014.

This arrangement is consistent with the requirements in the National Electricity Market, where residential on-selling licence exemptions include a condition that an electricity on-seller must keep a record of all residents that they supply electricity to, who also require life support equipment.

3. Summary of recommendations

Recommendation 1

- It is recommended that sub-clauses 5.19(c)(iii) and (iv) of the Metering Code 2012 are amended to remove the requirement for retailers to collect and maintain details of the street address and phone number of persons residing at a site who require life support equipment. In effect, the revised clauses will replicate the former provisions in the Metering Code 2005.

Recommendation 2

- It is recommended that:
 - The Exemption Order and Caravan Park Order are amended to include conditions requiring residential on-sellers and caravan park operators, to the extent reasonably practicable, to collect and maintain details of residents who have a person residing at the customer's premises that requires life support equipment.
 - Confirmation must be provided in the manner prescribed in 5.19(2A) of the Metering Code 2012.
 - If confirmation is provided in the manner prescribed in 5.19(2A), the on-seller/caravan park operator must:
 - maintain a record of all residents on life support equipment residing on their premises; and
 - pass on planned outage notifications received from the network operator to the resident.