

Dr. Pat Walsh
Chair, Essential Services Commission of South Australia
GPO Box 2605
ADELAIDE SA 5001

30 October 2009

Dear Dr. Walsh,

Energy Retail Code – Disconnections During Heatwaves

The South Australian Council of Social Service (SACOSS) welcomes the opportunity to comment on proposed changes to the Energy Retail Code (ERC) in relation to disconnections for non-payment of electricity bills during heatwaves.

As the peak non-government representative body for health and community services in SA, SACOSS believes in justice, opportunity and shared wealth for all South Australians. We have a strong membership base of individuals and organisations from a broad range of areas in the social services arena. Our major activities cover analysis of social policy and advocacy on behalf of vulnerable and disadvantaged South Australians, independent information and commentary and health and community services sector development. As part of this work, SACOSS has a particular interest in the protection of low income and vulnerable consumers in their interactions with providers of essential services such as electricity.

This submission is supported by the following organisations:

Community Living Project (CLP)
Youth Affairs Council of South Australia (YACSA)

In general, SACOSS supports the proposed amendments to the ERC, particularly the position of the Commission regarding the provision of such protections to consumers prior to the finalisation of the National Energy Customer Framework (NECF). Given that the NECF is not due to go before SA Parliament until Spring 2010, SACOSS considers that it is vital to have alternative protections in place prior to the 2009-2010 summer period. However there are some concerns around forecasting and the lack of adequate consideration in the amendments for disallowing disconnections for non-payment in rural and regional areas.

SACOSS firmly believes in the principle that all South Australians are entitled to reasonable access to sufficient quantities of essential services to maintain a healthy life, and it is particularly important to the health and wellbeing of all South Australians that access be maintained in times of extreme heat danger. Many vulnerable consumers are at particular risk during extreme heat conditions, such as the elderly, the very young, and those with health conditions that would be affected by extreme heat. More generally, all

South Australians require special consideration in respect to such extreme weather conditions.

One concern for SACOSS and its constituency is the issue of forecasting in rural and regional areas. Under the proposed amendments, the ability of the ERC to preclude disconnections for non-payment hinges on the Bureau of Meteorology (BoM) forecast for metropolitan Adelaide. The issue that arises is that weather conditions can of course vary widely across the state, and situations may arise in which the forecast for Adelaide is under 35 degrees, but higher than this for a regional centre or rural/remote locality. This would technically allow retailers to disconnect for non-payment where in fact forecast temperatures exceed the intended tripping point for the draft Clause 9.7 (h).

It is noted that the Commission recognises that this is a 'broad brush' approach, as outlined on page 11 of the Discussion Paper:

The Commission acknowledges that this approach does not take into consideration different weather conditions which may be experienced around the State at any given time: when heatwave conditions are being experienced in some parts of the state they may not be experienced in Adelaide, and vice versa. In circumstances where heatwave conditions are experienced in other parts of the state, but not in Adelaide, as the amendment clause is currently drafted, electricity disconnection for non-payment would not be prohibited.

The Discussion Paper further notes that this approach is in line with current practice within emergency services providers and represents a pragmatic approach. SACOSS recommends that ESCoSA reconsiders implementing a more inclusive approach that offers rural and regional electricity consumers the same protections against disconnection for non-payment. This may include additional complexity being added to the framework to allow for regional forecasting, or to require retailers to request an order for disconnection from ESCoSA or EIOSA during heatwave conditions anywhere in SA.

In order to ensure that all South Australians are afforded the same protections, SACOSS recommends 2 alternative mechanisms for consideration:

- That BoM forecasts for the 14 South Australian regions be used to determine the definition of 'extreme heat day' and an altered Clause 9.7 (h). Thus SACOSS proposes the following amendments to the ESCoSA proposal:

9.7 When a retailer must not disconnect

A retailer must not arrange for the disconnection of a small customer's supply address:

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*(h) in respect of a residential customer's supply address, for non-payment of an electricity bill on an extreme heat day **in said residential customer's forecast region.***

with the following definitions provided:

*(i) the current day's maximum temperature is forecast to be 35 degrees or above and the maximum temperature is predicted to reach that level for the next 2 consecutive days, in the **regional forecast** corresponding to the residential customer's supply address; or*

*(ii) the previous 3 consecutive days have had a maximum temperature of 35 degrees or above in the **regional forecast** corresponding to the residential customer's supply address; or*

(iii) where a heatwave alert has been issued.

- That when the forecast for any BoM South Australian forecasting region indicates an extreme heat day or heatwave conditions, electricity retailers must request an order for disconnection form either ESCoSA or EIOSA.

In summary, SACOSS supports ESCoSA in its jurisdictional approach to the issue of disconnection due to non-payment during heatwaves. However a policy framework that takes into account the health and wellbeing of rural and regional energy consumers would involve a more flexible approach that does not put non-metropolitan consumers at risk of disconnection due to inflexible forecasting requirements. While SACOSS notes that work is ongoing with the South Australian State Emergency Service (SASES) and the South Australian Fire and Emergency Services Commission (SAFECOM) on the development of the 'Heat Health Warning', it considers that in proposing the amendments, ESCoSA would best serve South Australian energy consumers by considering a more holistic approach such as that outlined above.

I hope these comments have been of some assistance, and if you have any questions regarding this letter, please contact me on 8305 4228 or email tom@sacoss.org.au.

Kind Regards,

Tom Stead
Senior Policy and Research Analyst