

Joint Implementation Group

Bulletin No. 3

National Energy Customer Framework

Table of Jurisdiction-specific requirements

November 2011

The Joint Implementation Group (JIG) is co-ordinating the implementation of the National Energy Customer Framework (NECF) by participating jurisdictions. The JIG is working closely with the Australian Energy Market Operator (AEMO) and the Australian Energy Regulator (AER) to meet the commencement date of the NECF on 1 July 2012.

This Bulletin provides information about jurisdiction-specific requirements under the NECF in the attached Table.

The NECF accommodates jurisdictional differences on some matters. The NECF legal instruments integrate jurisdictional differences in such a way as not to disrupt national consistency. For example, different jurisdictional ombudsman schemes, Guaranteed Service Standard Schemes and distributor service standards are integrated into the architecture of the NECF legal framework.

The transfer from jurisdictional frameworks to the NECF also requires transitional arrangements to ensure the smoothest possible transition is achieved, and this will require interim differences in the application of aspects of the NECF.

All jurisdictional differences must be agreed by all NECF participating jurisdictions via approval by the Ministerial Council on Energy.

The Tables below set out jurisdiction-specific requirements for each jurisdiction.

Joint Implementation Group

12 December 2011

Jurisdiction-specific requirements under National Energy Customer Framework

Subject Matter	Victoria	NSW	Queensland	South Australia	Tasmania	ACT
Small customer consumption thresholds NECF: 100MWh pa 1Tj pa (gas)	100MWh pa 1Tj pa	160MWh pa 1Tj pa	100MWh pa 1Tj pa	160MWh pa 1Tj pa	150MWh pa Not applying NECF to the gas sector.	100MWh pa 1Tj pa
Adoption of small market offer customer classification	Adopted	Not adopted	Adopted for gas. Not adopted for electricity.	Not adopted	Not adopted	Not adopted
Retailer obligation to offer—financially responsible retailer	Fully adopted	Fully Adopted (see price regulation section below)	Fully adopted	Partly adopted Obligation to offer limited to one retailer (for each of electricity and gas) at a regulated price. FRR model to apply in deemed retail arrangements.	To be adopted, with minor modifications to accommodate non-contestable customers	Adopted
Regulated retail prices	Retain reserve power to regulate prices	All retailers to offer standing offer prices. Standard retailers also required to offer regulated price.	Retain notified prices (prices set by Queensland Government) as standing offer price for all electricity retailers. Retain reserve power to regulate gas prices	Retain regulated retail price as standing offer price where obligation to offer applies.	Retain regulated retail price in lieu of published standing offer price for LAR. Standing Offer Price for other retailers not regulated	Electricity - Only the local incumbent retailer will be required to offer a regulated price as a standing offer. Gas—gas prices not regulated. ACT Govt retains reserve power to regulate gas prices.

Jurisdiction-specific requirements under National Energy Customer Framework

Subject Matter	Victoria	NSW	Queensland	South Australia	Tasmania	ACT
Differences in standard retail contract	NIL	NIL	NIL	NIL	NIL	NIL
Differences in minimum requirements for market retail contracts	NIL	NIL	NIL	NIL	NIL	NIL
RoLR- electricity	Adopted	Adopted	Adopted	Adopted	Adopted	Adopted
RoLR - gas	Adopted	Adopted	Adopted with delayed start	Adopted - transitional provisions to accommodate manual processes.	Not adopted	Adopted
Price comparator	Local comparator to continue on transitional basis until AER comparator is adopted.	Adopted	Adopted	Local comparator to continue on transitional basis until AER comparator is adopted.	Adopted for contestable customers only	Adopted
Jurisdiction-specific energy efficiency programs (EEPs) for hardship customers	EEPs as specified in current Victorian laws.	Not applying NSW-specific EEPs at commencement	None	SA Residential Energy Efficiency Scheme retained unchanged (not limited to hardship customers, and not a 'minimum content' requirement for customer hardship	Existing obligations by Aurora to provide advice to non-contestable customers retained.	Not adopted – EEPs in the ACT will continue to exist independent of the NECF.

Jurisdiction-specific requirements under National Energy Customer Framework

Subject Matter	Victoria	NSW	Queensland	South Australia	Tasmania	ACT
				policies).		
Pre-payment meter regime	Not adopted	Not adopted at commencement	Not adopted	Adopted	Adopted, with phase out of older style prepayment meters and retention of ability for no-cost reversion to standard meters following announcement of price increases.	Adopted
Extreme weather event limit on disconnection	Adopting – determination of event under consideration.	Not adopted at commencement	Not adopted	Adopted. Current ‘extreme heat day’ definition to apply.	Not adopted	Not adopted at commencement – a consultation process will be undertaken in the second half of 2012 to inform a final ACT Govt decision.
Electricity Bill Benchmarks	Adopting	Transitional arrangements to apply.	Adopting	Adopting	Adopting	Adopting—the EBB requirements will displace the existing greenhouse gas disclosure requirements on customer accounts in the ACT.
Late payment fees	Prohibited for small customers	Current retail price regulation framework will apply.	No specific requirement. Only permitted for standard retail contracts if included in notified prices (not currently included and no intention to change this).	Permitted	Late fees permitted, but existing exemption for concession card holders retained.	Permitted.

Victoria-specific requirements

VICTORIA	
Subject Matter	Comment
Wrongful disconnection regime	Will apply in Victoria as amended by the recently passed <i>Energy Legislation Amendment (Bushfire Mitigation and Other Matters) Act 2011</i> .
Smart metering provisions	A range of current smart metering consumer protections will be retained.
Gas billing cycle:	Retaining the 2 months billing cycle for gas customers on standing contracts until 31 December 2013.
Bulk Hot Water Billing	A Victorian instrument will specify the billing formula for bulk hot water currently outlined in Victoria's Energy Retail Code.
Planned interruption notice period	To retain 10 day notice period in gas
Disconnection/Reconnection service order request time limits	To vary NECF time-of-day cut-offs by retaining current Victorian obligations which prohibit disconnection of domestic customers after 2:00pm.

Victoria's draft paper on its approach to NECF implementation is available at <http://www.dpi.vic.gov.au/energy/about/legislation-and-regulation/national-energy-customer-framework>.

A document setting out the Government's decisions in relation to this paper will be available at the above web address once it has been approved for publication.

NSW-specific requirements

NEW SOUTH WALES	
Subject Matter	Comment
Wrongful disconnection regime	No specific requirements.
Complaints and dispute resolution	EWON will be dispute resolution body for NSW specific functions eg rebates and solar bonus scheme.
Greenpower offers to new electricity customers	Harmonise with other jurisdictions.
Gas retailer/distributor interface	Transitional arrangements required.

For more information on implementation of NECF in NSW (including a detailed explanation of the retail price regulation framework) visit:

<http://www.trade.nsw.gov.au/energy/customers/necf>

Queensland-specific requirements

QUEENSLAND	
Subject Matter	Comments
Wrongful disconnection regime	No specific requirements. Wrongful disconnections will continue to be managed as a guaranteed service level on electricity distributors.
Greenpower offers to new electricity customers	Yes. Retailers will be obliged to offer a 'Greenpower' product (minimum 10%) as an option to new or reconnecting residential customers for electricity.
Standard retail contract (Card-operated meter)	Yes. For small customers purchasing electricity via a card-operated meter.
Planned interruptions	Current electricity notice period of two business days to continue until 1 July 2015 (start of new regulatory period).
Large customer provisions	<p>Current electricity retail arrangements for Ergon area to continue</p> <p>Ergon retail</p> <ul style="list-style-type: none"> – cannot sell outside Ergon area and cannot generally enter into market contracts – is obliged to offer a standard large customer retail contract at regulated prices to large customers at premises unconnected to the network, and to large customers where Ergon retail is the financially responsible retailer for the premises <p>Financially responsible retailers for <u>de-energised</u> premises of large customers are obliged to make an offer.</p> <p>See the <i>NECF Queensland Implementation Decision Paper</i></p> <p>http://www.deedi.qld.gov.au/documents/energy/NECF-Qld-implementation-decision-paper-march-2011.pdf</p>

South Australia-specific requirements

SOUTH AUSTRALIA	
Subject Matter	Comments
Safety Awareness Plans	Current requirements retained (gas retailers only).
Complaints and dispute resolution	Current higher consumption threshold (up to 750Mwh pa and 10Tj pa) for retailer and distributor Ombudsman membership retained.
Retail service standards.	Current minimum service standards retained.
Reconnection times	Current timeframes for re-energising premises after de-energisation retained.

Tasmania-specific requirements

TASMANIA	
Subject Matter	Comments
Some electricity customers will still be non-contestable (local energy law to specify details)	Non- contestable customers are residential customers and business customers with consumption under 50 megawatt hours per year Only Aurora Energy will be able to sell electricity to non-contestable customers
Prepayment meters	Prepayment meters –continued grandfathering of “old” prepayment meters that cannot detect and report on self-disconnection Prepayment meters – Continuation of ability for customer to revert to a standard meter at no charge provided notice is given within 30 days following announcement of a price increase for PPM contracts.
Exemptions regime	Deferred application of exempt selling arrangements Likely to be in the order of 12 to 18 months post NECF commencement
Price Comparator	AER Price comparator to apply only to contestable customers.
Gas	The NECF will not apply to gas distribution/retail in Tasmania.

ACT—specific requirements

AUSTRALIAN CAPITAL TERRITORY	
Subject Matter	Comments
Interest on overdue accounts	In ACT, interest can be charged on overdue accounts but cannot exceed the default rate specified under Schedule 2 of the Court Procedure Rules 2006.
Changes to existing codes	A number of codes will be updated to reflect NECF implementation. This process is being undertaken by the Independent Competition and Regulatory Commission and will include opportunities for stakeholders to provide feedback.
GreenPower First Offer requirement	This requirement will continue independent of the NECF.

More information on the implementation of the NECF in the ACT is available at http://www.environment.act.gov.au/energy/national_energy_customer_framework
