



# Retailer of Last Resort plan

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Version 3

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## Shortened forms

AER	<b>Australian Energy Regulator</b>
AEMO	Australian Energy Market Operator
DPI	Delivery Point Identifier
Electricity Law	National Electricity Law
Electricity Rules	National Electricity Rules
Gas Law	National Gas Law
Gas Rules	National Gas Rules
MIRN	Meter Installation Registration Number
NMI	National Metering Identifier
Retail Law	National Energy Retail Law
RoLR	Retailer of Last Resort

# 1 Introduction

## 1.1 Background

- a) Under the National Energy Retail Law (Retail Law), the national Retailer of Last Resort (RoLR) scheme seeks to ensure that customers' continuity of supply is maintained in the event their electricity or gas retailer fails by establishing immediate arrangements to transfer the customers to another retailer.<sup>1</sup>
- b) The AER is responsible for administering several aspects of the national RoLR scheme, including developing, making and maintaining RoLR plans.<sup>2</sup>

## 1.2 Purpose

- a) The RoLR plan sets out the procedures to be followed by participants in a RoLR event, including direct communication with the customers of the failed retailer.<sup>3</sup>
- b) The RoLR plan also establishes the scope and frequency of RoLR scheme test exercises to be carried out by RoLR plan participants.<sup>4</sup>

## 1.3 Development and maintenance of the RoLR plan

- a) In accordance with s.162(1) of the Retail Law, the RoLR plan is prepared in consultation with Ministers of participating jurisdictions and RoLR plan participants.
- b) The AER may amend the RoLR plan in accordance with s.162 of the Retail Law.
- c) The Ministers of participating jurisdictions and RoLR plan participants may propose amendments to the RoLR plan to the AER.
- d) Prior to introducing changes to the RoLR plan, the AER will consult with the Ministers of participating jurisdictions and RoLR plan participants.
- e) Changes to the RoLR plan will not be retrospective.

## 1.4 RoLR plan participants

- a) The RoLR plan participants are:

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<sup>1</sup> Retailer failure means events or circumstance that may constitute a RoLR event in accordance with s. 122 National Energy Retail Law.

<sup>2</sup> s. 162(1) National Energy Retail Law.

<sup>3</sup> s. 162(2)(a) National Energy Retail Law.

<sup>4</sup> s. 162(2)(b) National Energy Retail Law.

- i. AER
- ii. AEMO
- iii. energy departments of participating jurisdictions<sup>5</sup>
- iv. all retailers, including failed retailers<sup>6</sup>, registered RoLRs (both default RoLRs and additional RoLRs) and designated RoLRs<sup>7</sup>
- v. distributors<sup>8</sup>
- vi. ombudsman schemes.<sup>9</sup>

## 1.5 Consistency with RoLR procedures

- a) Section 144(1) of the Retail Law provides for AEMO to include in procedures that it makes pursuant to the Electricity Law or Gas Law, procedures that deal with matters relating to the operation or implementation of the RoLR scheme (RoLR procedures).
- b) RoLR procedures may deal with any matters relating to the operation or implementation of the RoLR scheme, including (but not limited to) the transfer of customers from failed retailers to designated RoLRs and the acceleration and cancellation of open transactions.<sup>10</sup>
- c) Section 162(3) of the Retail Law requires the RoLR plan to be consistent with the RoLR procedures.

## 1.6 Confidentiality and use of information

- a) The AER's obligations regarding confidentiality and disclosure of information provided to it by a regulated entity are governed by the Retail Law, National Electricity Law (Electricity Law), National Gas Law (Gas Law) and the *Competition and Consumer Act 2010* (Cth). For further information refer to the *ACCC–AER Information policy: The collection, use and disclosure of information* (ACCC/AER Information Policy) as updated from time to time, available from the AER's website.<sup>11</sup>

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<sup>5</sup> Means the department or agency nominated by the Minister of the participating jurisdiction to participate in the RoLR plan.

<sup>6</sup> Communication and obligations to the failed retailer can also apply to an insolvency official of the failed retailer.

<sup>7</sup> Has the meanings given by s. 122 National Energy Retail Law.

<sup>8</sup> Has the meaning given in s. 2 National Energy Retail Law.

<sup>9</sup> Means the Energy & Water Ombudsman Queensland, Energy & Water Ombudsman NSW, ACT Civil and Administrative Tribunal, Energy and Water Ombudsman (Victoria), Energy Industry Ombudsman South Australia and the Energy Ombudsman Tasmania.

<sup>10</sup> ss. 144(1) (a) & (b) National Energy Retail Law.

<sup>11</sup> <http://www.aer.gov.au/content/index.phtml/tag/aerPublications/>

- b) Where information is obtained by the AER under the Retail Law, the AER may use the information for a purpose connected with the performance or exercise of its functions or powers under the Electricity Law, Electricity Rules, Gas Law and Gas Rules.<sup>12</sup>
- c) Information may be shared between the AER and ACCC under ss. 44AAF and 157A of the *Competition and Consumer Act 2010* (Cth). As set out in the ACCC/AER Information Policy, if the ACCC or the AER has obtained information in the course of one matter which is relevant to another matter, the ACCC or the AER will, in general, share and use that information in the context of the other matter subject to any specific legal requirement to the contrary.
- d) In relation to the RoLR scheme, RoLR plan participants must act in accordance with the confidentiality provisions set out by s. 131 of the Retail Law.

## 1.7 Enforceability

- a) Section 162(6) of the Retail Law requires each RoLR plan participant to use its best endeavours to comply with the RoLR plan.
- b) The AER will monitor and enforce the RoLR plan in accordance with the Retail Law and the AER's Compliance Procedures and Guidelines and Statement of Approach to Compliance.

## 1.8 Counting days and time

- a) Any reference to a business day in this RoLR plan, means a day that is not a Saturday or Sunday; or observed as a public holiday on the same day in each of the participating jurisdictions (except the Commonwealth).<sup>13</sup>
- b) Any time referred to in the RoLR plan is Eastern Standard Time.

## 1.9 Contacts

- a) AEMO, Ministers and energy departments of participating jurisdictions, distributors, registered RoLRs and ombudsman schemes are to provide two nominated contacts for communication regarding the RoLR scheme. The contact information must include an email address, business hours telephone number and mobile telephone number. Additional contacts may also be provided, particularly where there is a risk the two nominated contacts may not be available.
- b) A list of contacts will be included as an attachment to the RoLR plan. To protect the privacy of participants and avoid unwelcome spam or other contact, the public version of RoLR plan will not include the

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<sup>12</sup> s. 216 National Energy Retail Law.

<sup>13</sup> Has the meaning given by s.2 of the Retail Law.

email addresses or telephone numbers. However, these details will be included in the version of the RoLR plan that will be regularly circulated to RoLR plan participants.

- c) AEMO, Ministers and energy departments of participating jurisdictions, distributors, registered RoLRs and ombudsman schemes must notify the AER within five business days if a nominated contact for this plan changes.
- d) The AER will utilise AEMO's industry contact list and its own contacts list to contact retailers which are not registered RoLRs and other industry participants if required.

## **1.10 RoLR plan reviews**

- a) The AER will ensure the RoLR plan is reviewed at such times it considers appropriate.<sup>14</sup>
- b) Proposed amendments which arise from a RoLR plan review will be considered in accordance with cl.1.3 of this RoLR plan.

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<sup>14</sup> s.162(8) National Energy Retail Law



## 2 Obligations per RoLR plan participant

### 2.1 Australian Energy Regulator

#### a) Information flows prior to the RoLR event (General)

- i. When the AER has formed a belief that there is a risk of a RoLR event, the AER:<sup>15</sup>
  1. will advise AEMO, Ministers and energy departments of participating jurisdictions
  2. may advise registered RoLRs and distributors
  3. may advise the ombudsman schemes.
- ii. The AER will advise AEMO, Ministers and energy departments of participating jurisdictions as soon as possible, and no later than within one day of forming the belief that a RoLR event may happen.
- iii. The AER will provide advice in accordance with cl. 2.1 (a)(i) and (ii) via email (telephone or text message or other communication means may also be utilised as considered appropriate).

#### b) Information flows prior to the RoLR event (Wholesale market)

- i. Upon AEMO notifying the AER that:
  1. a retailer has failed to meet the requirements of a call notice or margin call, or
  2. a retailer has been issued with a default notice, or
  3. a retailer has satisfied the requirements of a default notice, or
  4. a retailer has failed to adequately respond to a default notice,

the AER will advise Ministers and energy departments of participating jurisdictions as soon as possible, and no later than within two hours of receipt of AEMO advice.

- ii. If the AER receives notification of an event outlined in cl. 2.1(b)(i), the AER may advise registered RoLRs, distributors,

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<sup>15</sup> s. 130(5)(b) National Energy Retail Law.

and ombudsman schemes that it has received notification, but it should not disclose to them the name of the retailer.

- iii. The AER will provide advice in accordance with cl. 2.1 (b)(i) and 2.1 (b)(ii) via email (telephone or text message or other communication means may also be utilised as considered appropriate).

**c) Information flows prior to the RoLR event (additional RoLR appointment)**

- i. The AER may request information from a retailer in accordance with its contingency event powers, to assist the AER to determine which registered RoLRs should be the designated RoLRs.<sup>16</sup>
- ii. The AER may, by notice in writing, appoint an additional RoLR as a designated RoLR in respect of a RoLR event before the event actually occurs in accordance with s. 132(2) of the Retail Law.
- iii. When the AER has formed a belief that a RoLR event may be triggered by AEMO:
  1. suspending the right of the retailer to acquire energy from the energy markets,<sup>17</sup> or
  2. revoking the retailer's registration in relation to participating in the energy markets,<sup>18</sup>

the AER will notify AEMO if an additional RoLR will be appointed as a designated RoLR within the same period that a retailer is required to respond to a:

3. call notice in accordance with the Electricity Rules<sup>19</sup>
4. margin call in accordance with the Gas Rules.<sup>20</sup>

In the event a call notice or margin call is not issued, the AER will notify AEMO if an additional RoLR will be appointed as the

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<sup>16</sup> s. 130(4) National Energy Retail Law.

<sup>17</sup> Including electricity from the wholesale exchange, gas from the wholesale gas market or short term trading market.

<sup>18</sup> For electricity, the retailer ceases to be a registered participant in relation to the purchase of electricity directly through the wholesale exchange as required by section 11(4) of the National Electricity Law. For gas, the retailer ceases to be a registered participant in the relation to the wholesale gas market or short term trading market. Where there is no declared wholesale gas market or short term trading market, ceases to be a registered participant in a retail gas market.

<sup>19</sup> Response to call notice to be provided in accordance with cl. 3.3.13 of the National Electricity Rules.

<sup>20</sup> Response to margin call to be provided in accordance with r.263 of the National Gas Rules (Declared Wholesale Gas Market Rules) and r.485 of the National Gas Rules (Short Term Trading Market).

designated RoLR prior to the issuance of a default notice by AEMO in accordance with the Electricity Rules<sup>21</sup> and Gas Rules.<sup>22</sup>

- iv. If the AER does not provide a notice in writing to AEMO concerning additional RoLR appointments in accordance with clause 2.1(c) before the RoLR event occurs, default RoLRs will be appointed in accordance with the AER's standing instructions to AEMO.
- v. The AER may also notify one or more of the following parties if an additional RoLR has been appointed as a designated RoLR before the RoLR event:
  1. Ministers of participating jurisdictions
  2. energy departments of participating jurisdictions
  3. default RoLRs
  4. distributors
  5. ombudsman schemes.
- vi. The AER will provide advice in accordance with cl. 2.1 (c)(iii) and 2.1 (c)(v) via email (telephone or text message or other communication means may also be utilised as considered appropriate).

**d) Information flows after the RoLR event**

- i. RoLR notice
  1. The AER will issue a RoLR notice as soon as practicable after a RoLR event occurs to:<sup>23</sup>
    - a. Ministers and energy departments of participating jurisdictions
    - b. the failed retailer
    - c. any insolvency official of the failed retailer
    - d. AEMO
    - e. the designated RoLR or RoLRs

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<sup>21</sup> Default notice issued in the NEM in accordance cl.3.15.21 of the National Electricity Rules.

<sup>22</sup> Default notice to be provided in accordance with r.251 of the National Gas Rules (Declared Wholesale Gas Market Rules) and r.486 of the National Gas Rules (Short Term Trading Market).

<sup>23</sup> s. 138 National Energy Retail Law.

- f. affected distributors
  - g. ombudsman schemes.
2. The AER will give the failed retailer the RoLR notice at its registered office and (if different) its principal place of business.
  3. The AER will give the RoLR notice to Ministers and energy departments of participating jurisdictions, designated RoLRs, the failed retailer, any insolvency official of the failed retailer, affected distributors and ombudsman schemes via email. A text message to mobile telephone numbers will also be used to alert parties to the provision of the RoLR notice.
  4. The AER will publish the RoLR notice on its website as soon as possible, and no later than within 24 hours of the RoLR event.<sup>24</sup>

ii. Media & RoLR consumer information

1. As soon as possible and no later than within 24 hours of the RoLR event, the AER will:
  - a. publish the AER's RoLR event phone number
    - i. The AER's RoLR event phone number will have a recorded message regarding the RoLR event. Staff will be available to assist customers during business hours.
  - b. publish a press release on the RoLR event
  - c. email notification of the RoLR event to customer intermediaries which may include members of parliament, financial counselling services and migrant resource centres.
  - d. publish a questions and answers factsheet for consumers about the RoLR event on its website.
2. The AER may also publish newspaper, radio or television advertisements to inform the affected community about the RoLR event.<sup>25</sup>

iii. RoLR event reports

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<sup>24</sup> s.139(1)(a) National Energy Retail Law.

<sup>25</sup> s139(3) National Energy Retail Law.

1. The AER will prepare and publish a RoLR event report in accordance with s.172 of the Retail Law.
2. The AER will prepare the RoLR event report in consultation with AEMO.
3. The AER will provide the RoLR event report by the 80<sup>th</sup> day after the RoLR event or such later time as the Ministerial Council on Energy agrees.

iv. Ongoing communication

Where required, the AER will communicate with:

1. the Ministers of participating jurisdictions
2. RoLR plan participants
3. such other persons as the AER considers relevant

to enable it to perform its functions under the RoLR scheme during the RoLR event.

v. Communication to ombudsman schemes

Where applicable, the AER will notify relevant ombudsman schemes regarding matters which have arisen from the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.

**e) RoLR exercises**

With the assistance of AEMO, the AER will organise RoLR exercises.<sup>26</sup>

**f) RoLR plan**

The AER will amend and review the RoLR plan in accordance with cl.1.3 of this plan.

## **2.2 Australian Energy Market Operator**

**a) Information flows prior to the RoLR event (General)**

- i. AEMO must without delay notify the AER of any event, circumstance or matter which it has reason to believe:<sup>27</sup>

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<sup>26</sup> s. 162(2)(b) National Energy Retail Law.

<sup>27</sup> s. 150(1) National Energy Retail Law.

1. may affect or give rise to affecting a retailer's ability to maintain continuity of the sale of energy to its customers, or
  2. gives rise to, or gives rise to some risk of a RoLR event.
- ii. AEMO will provide advice to the AER in accordance with cl. 2.2 (a)(i) via email (telephone or text message or other communication means may also be utilised as considered appropriate).

**b) Information flows prior to the RoLR event (Wholesale market)**

- i. AEMO will notify the AER when:
1. a call notice/margin call is issued to a retailer, or
  2. a retailer satisfies or does not satisfy a call notice/margin call, or
  3. a default notice is issued to a retailer, or
  4. a retailer satisfies or does not satisfy a default notice,<sup>28</sup> or
  5. a retailer is suspended from acquiring energy from the energy markets,<sup>29</sup> or
  6. a retailer's registration is revoked in relation to participating in the energy markets.<sup>30</sup>
- ii. AEMO will provide notification to the AER for cls. 2.2 (b)(i) 1-4 as soon as possible; and no later than within two hours of the event occurring or if the event occurs after 5pm, by 11am the following day. Notification will be provided via email and then followed by a telephone call.
- iii. AEMO will provide notification to the AER for cls. 2.2(b)(i)5-6, via telephone as soon as possible and no later than within two hours of the event.

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<sup>28</sup> In the gas markets, there is unlikely to be a time lag between a retailer not satisfying a default notice and a retailer being suspended from the market. These steps usually occur at the same time.

<sup>29</sup> Includes electricity from the wholesale exchange, gas from the wholesale gas market or short term trading market.

<sup>30</sup> For electricity, the retailer ceases to be a registered participant in relation to the purchase of electricity directly through the wholesale exchange as required by section 11(4) of the National Electricity Law. For gas, the retailer ceases to be a registered participant in relation to the wholesale gas market or short term trading market. Where there is no declared wholesale gas market or short term trading market, when the retailer ceases to be a registered participant in a retail gas market.

- iv. Following the issue of a call notice or margin call (or default notice in the event a call notice or margin call was not issued), AEMO will provide the AER with the pre-RoLR event (NMI) count & load report and pre-RoLR event (MIRN/DPIs) count & load report in accordance with the AER-AEMO RoLR event communication protocol.

**c) Information flows after the RoLR event**

- i. AEMO will notify the AER when customer transfers for the RoLR event have been initiated in their metering and settlement systems via email (telephone or text message or other communication means may also be utilised as considered appropriate).
- ii. AEMO will distribute a copy of the RoLR notice to registered participants as soon as practicable.<sup>31</sup>
- iii. AEMO will publish a copy of the RoLR notice on its website as soon as possible and no later than within 24 hours of receiving the RoLR notice.
- iv. Within two business days of the time specified in the RoLR procedures, AEMO will provide
  - 1. The summary NMI RoLR report to the AER and affected participants as prescribed by the RoLR procedures<sup>32</sup> for an electricity RoLR event.
  - 2. The AER with the transfers in progress report as prescribed by the RoLR procedures<sup>33</sup> (for an electricity RoLR event).
  - 3. Notification to the AER that customer details for affected MIRNS/DPIs have been provided to the designated RoLR as prescribed by the RoLR procedures<sup>34</sup> for a gas RoLR event.
- v. Within two business days of the RoLR event, AEMO will provide the summary MIRNS/DPIs RoLR report to the AER for a gas RoLR event.
- vi. Within 17 business days of the RoLR event, AEMO will provide the electricity NMI list report to the affected participants as

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<sup>31</sup> s. 138(1)(d) National Energy Retail Law.

<sup>32</sup> cl. 4.5 NEM RoLR processes version 1.2 (as amended from time to time).

<sup>33</sup> cl. 12.5 NEM RoLR processes version 1.2 (as amended from time to time).

<sup>34</sup> cl. 5.4(2) Retail Market Procedures (NSW & ACT) version 9 (as amended from time to time); cl. 413(a) Retail Market Procedures (SA) version 4 (as amended from time to time); cl. 6.1.4(a) Retail Market Procedures (VIC) version 3 (as amended from time to time).

prescribed by the RoLR procedures. AEMO will also notify the AER it has provided the electricity NMI list report to affected participants.

- vii. Where applicable, AEMO will notify relevant ombudsman schemes regarding matters which have arisen from the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.

**d) RoLR exercises**

AEMO will assist the AER to organise and implement RoLR exercises.

## **2.3 Retailers**

**a) Information flows prior to the RoLR event (General)**

- i. A retailer must without delay notify the AER and AEMO of any event, circumstance or matter of which the retailer is aware and which—
  - 1. it has reason to believe:<sup>35</sup>
    - a. might be, is or may be at some time in the future an event, circumstance or matter that may or will affect; or
    - b. give rise to some risk of affecting,  
  
the retailer's ability to maintain continuity of the sale of energy to its customers, or
  - 2. gives rise to, or gives rise to some risk of a RoLR event.
- ii. A retailer will provide notification to the AER for cl. 2.3(a)(i) via telephone and email as soon as possible and no later than within two hours of becoming aware of the event, circumstance or matter.

**b) Information after the RoLR event**

- i. Within three business days of a RoLR event,<sup>36</sup> each relevant retailer will communicate in writing, details of the RoLR event to a customer, where the customer's transfer away from the retailer to the failed retailer was cancelled in accordance with s.140 (6) of the Retail Law.

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<sup>35</sup> s. 150(2) National Energy Retail Law.

<sup>36</sup> The three business day requirement takes into account that the retailer (for electricity) will receive a report of cancelled transfers by the next business after the RoLR event.



- ii. When communicating to a customer under cl.2.3(b)(i), the retailer must set out that (subject to the RoLR procedures):<sup>37</sup>
  1. the customer will remain on its previous contractual terms and conditions
  2. despite anything to the contrary in the previous contract with such a customer, the customer may terminate the contract with that retailer on one month's notice or a lesser period allowed by the previous terms and conditions.

**c) RoLR exercises**

Where required, the retailer will participate in RoLR exercises provided for by this plan.

## **2.4 Failed retailer (or an insolvency official of the failed retailer)**

**a) Information flows after the RoLR event**

- i. Communication to the AER
  1. A failed retailer or an insolvency official of the failed retailer will notify the AER when it has:
    - a. provided details of its customers to the designated RoLRs, in accordance with the RoLR procedures, and
    - b. sent written information to the former customers of the failed retailer, as required by cl. 2.4(a)(ii)(2) of this plan.
  2. Notification will be provided by email and any other means deemed necessary.
- ii. Communication to affected small customers
  1. If possible, the failed retailer or an insolvency official of the failed retailer will:<sup>38</sup>
    - a. publish a notice of the RoLR event on its website

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<sup>37</sup> s. 140(6)(b)&(c) National Energy Retail Law.

<sup>38</sup> s. 139 National Energy Retail Law.

- b. organise a live information service or recorded message on its telephone line regarding the RoLR event

within three business days of the RoLR event.

2. A failed retailer or an insolvency official of the failed retailer will send former customers of the failed retailer written information in plain English regarding the RoLR event.

Where applicable, the failed retailer or an insolvency official of the failed retailer will include details informing:

- a. the steps taken to cancel the customer's direct debit arrangements
- b. how payments made in advance towards the customer's energy bill will be applied to the customer's account, with any balance repaid
- c. how existing payment plans will continue to apply for any arrears outstanding as at the transfer date
- d. how customers' security deposits will be refunded
- e. how credits on prepayment meter contracts will be refunded
- f. the implications for uncompleted service orders.

The information should also provide the AER's website address and the AER's RoLR event hotline number.

Information may be provided as an insert to the customer's final bill. It will be provided to customers as soon as practicable and in any event, within 25 business days of the RoLR event.<sup>39</sup>

*Note: The failed retailer or the insolvency official of the failed retailer should take into account the communication needs of particular customers when*

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<sup>39</sup> The maximum 25 business day requirement reflects that for electricity, the suspended retailer may not receive the final NMI list report from AEMO until 17 business days after the RoLR event. It will also enable the failed retailer to prepare its final bill (which will generally be based on substituted reads).

*drafting the communication, including customers with visual impairment and customers from culturally and linguistically diverse backgrounds.*

3. A failed retailer or an insolvency official of the failed retailer will communicate with former customers of the failed retailer regarding any customer complaints or disputes arising on, before or after the transfer date of the RoLR event.<sup>40</sup>

iii. Communication to designated RoLRs

When providing details of its former customers to the designated RoLR, a failed retailer or the insolvency official of the failed retailer will ensure the following customers are clearly identified:

1. customers registered as requiring life support equipment
2. hardship customers
3. customers in receipt of any pension, health or social security payments to, rebates for or benefits or concessions of a customer.

iv. Communication with ombudsman schemes

A failed retailer or an insolvency official of the failed retailer will liaise with the ombudsman scheme regarding customer complaints or disputes arising on, before or after the RoLR event.<sup>41</sup>

## **2.5 Designated RoLRs**

### **a) Information flows after the RoLR event**

i. Communication to affected small customers

1. A designated RoLR will:<sup>42</sup>
  - a. publish a notice of the RoLR event on its website
  - b. organise a live information service or recorded message on its telephone line regarding the RoLR event

within three business days of the RoLR event.

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<sup>40</sup> s. 141(4) National Energy Retail Law.

<sup>41</sup> s. 141(4) National Energy Retail Law.

<sup>42</sup> s. 139 National Energy Retail Law.

2. In accordance with the RoLR procedures, a designated RoLR will notify the AER when it has received details of the failed retailer's customers
3. The designated RoLR will send written communication in plain English regarding the RoLR event to the customers of the failed retailer.<sup>43</sup> The information must include:
  - a. applicable tariffs, terms and conditions
  - b. customer's ability to transfer at anytime
  - c. questions to the customer which seek to confirm, whether the customer requires life support equipment or was on a hardship arrangement with the failed retailer
  - d. implications for contractual arrangements with the failed retailer. This includes implications for hardship arrangements, customers on life support, feed-in arrangements, direct debit, advanced payments, security deposits, credits on prepayment meters and uncompleted service orders
  - e. the AER's website address and the AER's RoLR event hotline number.

Information will be provided to customers as soon as practicable and in any event, within 25 business days of the RoLR event.<sup>44</sup>

*Note: The designated RoLR should take into account the communication needs of particular customers when drafting the communication, including customers with visual impairment and customers from culturally and linguistically diverse backgrounds.*

ii. Communication to affected large customers

1. The designated RoLR will send written information to large customers of the failed retailer regarding their RoLR contractual arrangements. This will include details regarding prices for energy, alternative retailers

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<sup>43</sup> s. 163(b)(ii) National Energy Retail Law.

<sup>44</sup> The 25 business day requirement reflects that for electricity, the RoLR may not receive customer details from the failed retailer and distributor until 21 business days after the RoLR event in accordance with the RoLR procedures.

and how they can quickly disconnect their energy supply if necessary.<sup>45</sup>

2. The designated RoLR will send the written information to large customers of the failed retailer as soon as practicable and in any event, within 25 business days of the RoLR event.
3. If possible, the designated RoLR will also call large customers as soon as practicable after the RoLR event informing them of how they can quickly disconnect their energy supply or switch retailers if necessary.<sup>46</sup>

iii. Communication to ombudsman schemes

Where applicable, a designated RoLR will notify relevant ombudsman schemes regarding matters which have arisen from the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.

## 2.6 Distributors

### a) Information flows prior to the RoLR event (General)

- i. A distributor may notify the AER of any event, circumstance or matter which it has reason to believe:
  1. may affect or give rise to some risk of affecting a retailer's ability to maintain continuity of the sale of energy to its customers, or
  2. gives rise to, or gives rise to some risk of a RoLR event.
- ii. A distributor will provide advice to the AER in accordance with cl. 2.6 (a)(i) via email (telephone or text message or other communication means may also be utilised as considered appropriate).

### b) Information flows after the RoLR event

- i. Communication to the AER

An electricity distributor will inform the AER when it has provided, in accordance with the RoLR procedures, details of the failed retailer's customers to the designated RoLRs.

Notification will be provided by email and any other means deemed necessary.

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<sup>45</sup> s. 163(b)(iii) National Energy Retail Law.

<sup>46</sup> s. 163(b)(iii) National Energy Retail Law.

ii. **Communication to ombudsman schemes**

Where applicable, a distributor will notify ombudsman schemes regarding matters which have arisen from the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.

c) **RoLR exercises**

Where required, a distributor will participate in RoLR exercises provided for by this plan.

## **2.7 Ombudsman schemes**

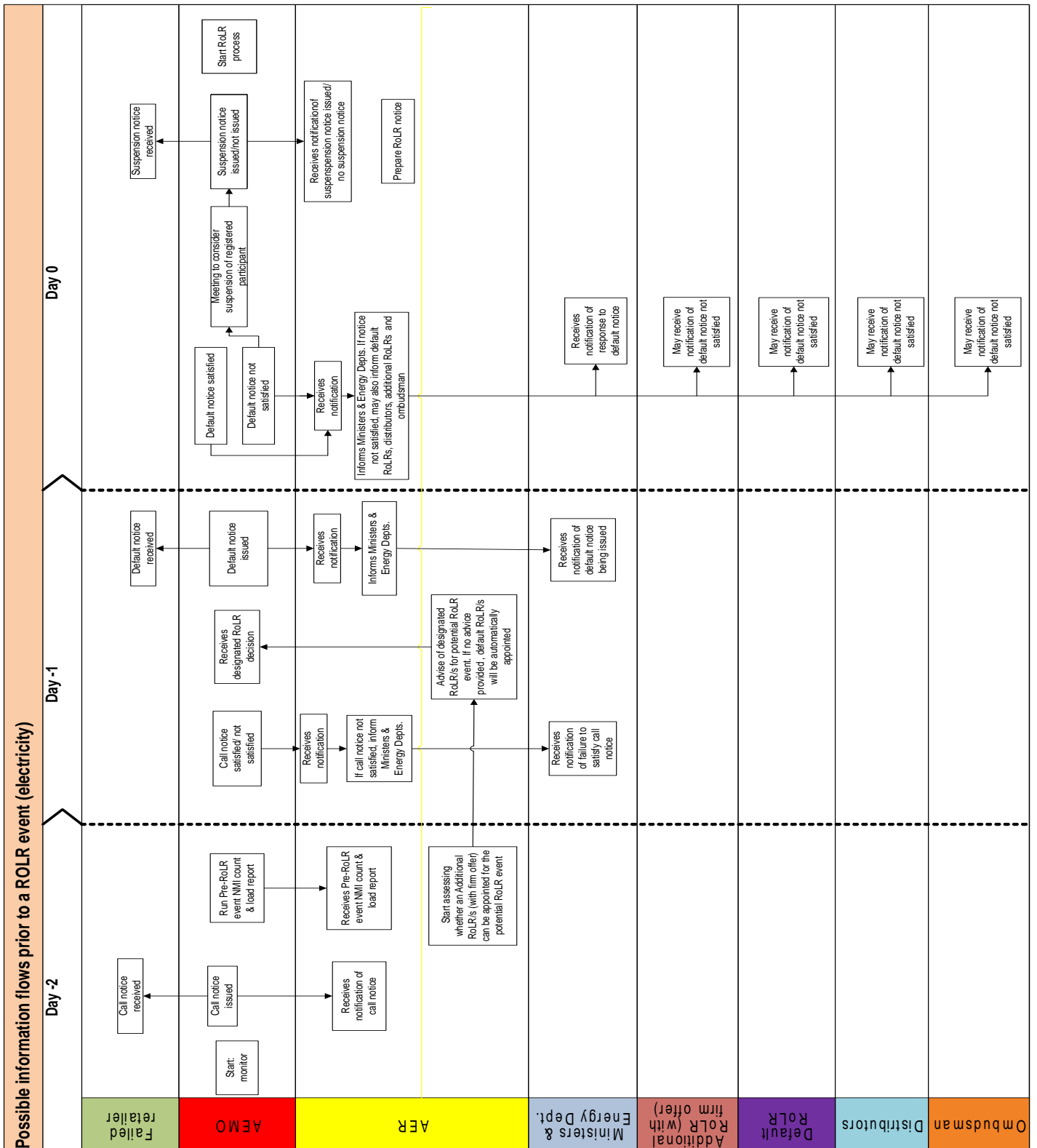
a) **Information flows after the RoLR event**

- i. Ombudsman schemes, where required, will liaise with the failed retailer, insolvency official of the failed retailer, designated RoLRs, distributors, AER, AEMO, Ministers and energy departments of participating jurisdictions regarding any matter, complaint or dispute arising from the RoLR event.
- ii. Within 60 business days of the RoLR event, ombudsman schemes may provide the AER with a summary report of customer issues arising from the RoLR event, including an analysis of open or resolved systemic issues.

b) **RoLR exercises**

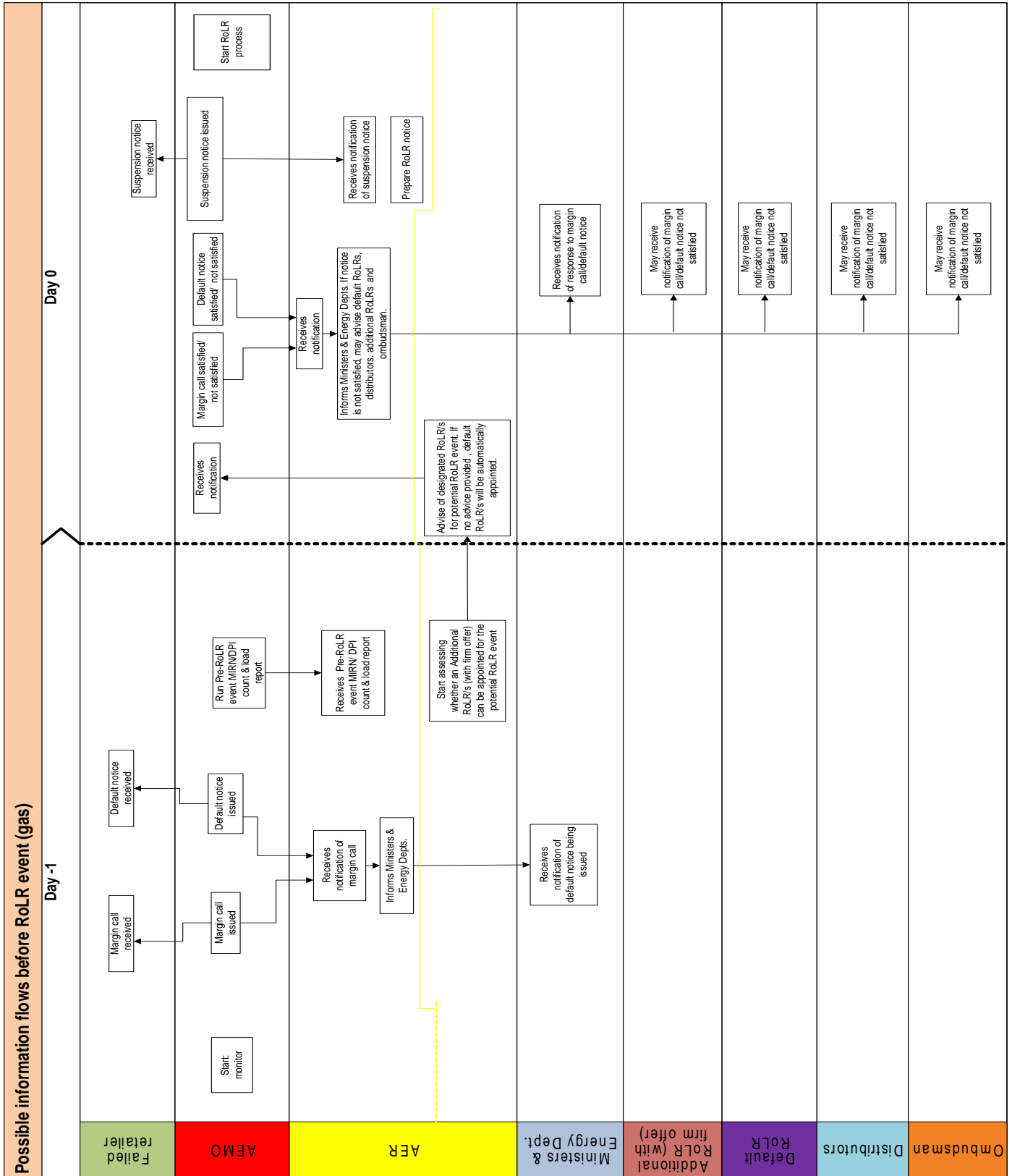
Where required, ombudsman schemes will participate in RoLR exercises provided for by this plan.

### 3 Summary of pre-RoLR event communications (wholesale market suspension - electricity)



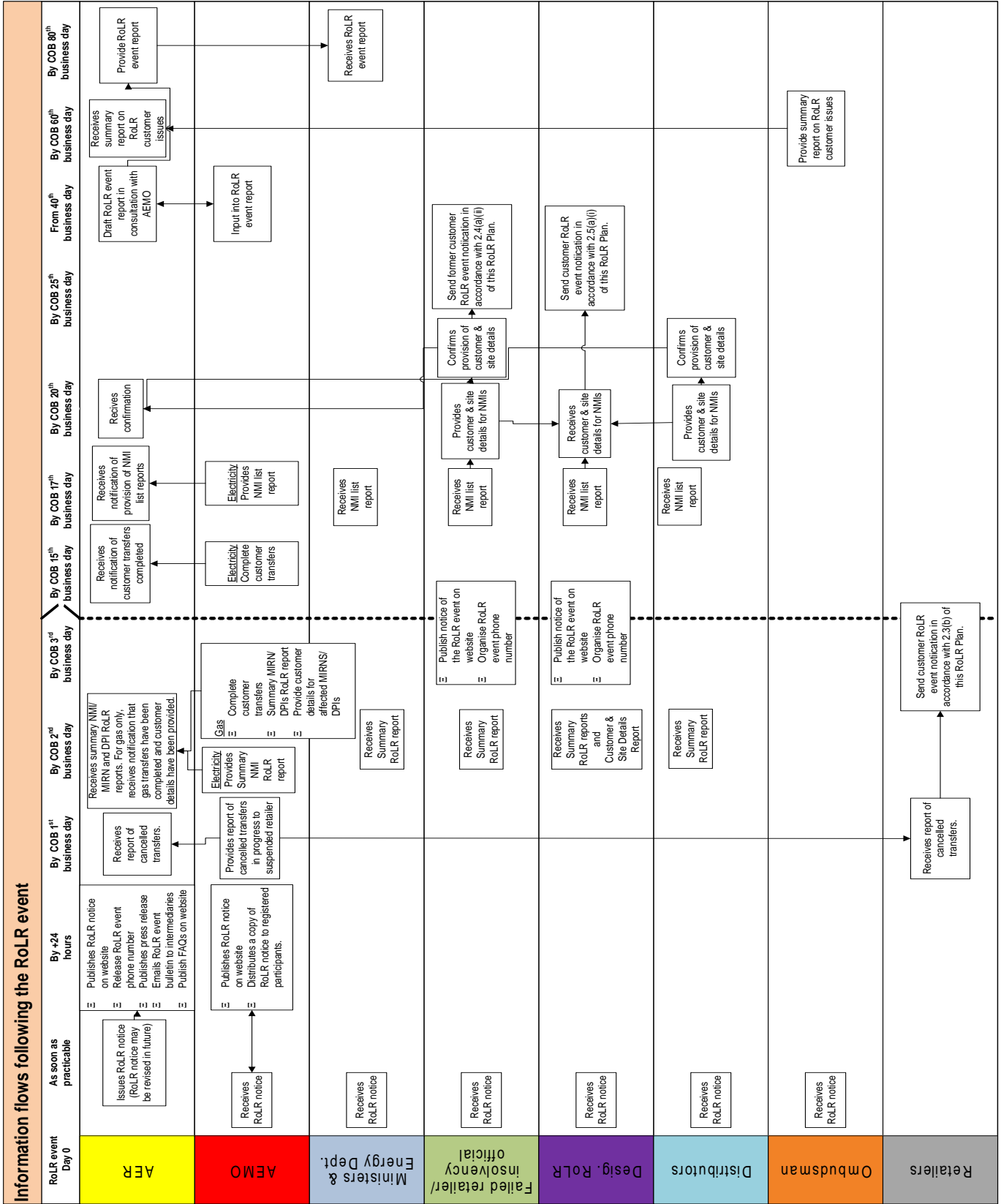
For the purpose of the RoLR plan, this flow chart deals with wholesale market suspensions. It assumes little notice. Other circumstances where the AER may have greater notice of a RoLR event are discussed in the AER's statement of approach.

# 4 Summary of pre-RoLR event communications (wholesale market suspension - gas)





# 5 Summary of RoLR event communications



## **6 RoLR exercises**

### **6.1 Purpose**

RoLR exercises will be conducted by the AER and AEMO to ensure RoLR plan participants have the necessary systems and processes in place to undertake their responsibilities during a RoLR event.

### **6.2 Scope**

- a) Each RoLR exercise will be a desk-top exercise.
- b) The RoLR exercise will simulate a RoLR event, capturing the potential events and communication requirements leading up to and following a RoLR event in the national electricity market, declared wholesale gas market and the short term trading market. However, the AER may limit the number of markets included in the scope of RoLR exercise if deemed appropriate.

### **6.3 Frequency**

- a) The RoLR exercise will be conducted on a regular basis, on a date determined between the AER and AEMO.
- b) The AER will use best endeavours to give RoLR plan participants three months notice before a RoLR exercise is conducted.

### **6.4 Participation**

- a) RoLR plan participants may be required by the AER and AEMO to provide assistance to organise a RoLR exercise. Assistance may include, but is not limited to, providing input into the drafting of the RoLR event scenario that will be used for the RoLR exercise.
- b) RoLR plan participants must use best endeavours to participate in RoLR exercises.<sup>47</sup>
- c) Despite cl. 6.4(b), retailers who are not registered RoLRs do not have to participate in RoLR exercises, if they are not required to do so by the AER and AEMO.

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<sup>47</sup> s. 162(5)(b) National Energy Retail Law.

## 7 Templates

### 7.1 AER RoLR notice

<b><u>Retailer of Last Resort (RoLR) notice</u></b> <b>Issued by the Australian Energy Regulator in accordance with section 136 of the National Energy Retail Law</b>		
<b>Date</b>	[Date of RoLR event]	
<b>Details of RoLR event</b>	[Events or circumstances giving rise to the RoLR event]	
<b>Failed retailer</b>	[Name of failed retailer]	
<b>Affected fuel and markets</b>	[e.g. gas, short term trading market]	
<b>Affected states and territories</b>	[Which states or territories the failed retailer had customers in]	
<b>Registered RoLRs appointed by this notice as designated RoLRs</b>	<b>Designated RoLRs</b>	<b>Allocation of customers</b>
	[name of retailer]	[e.g. 'x' distribution system]
<b>Transfer date</b>	[The date customers are transferred from the failed retailer to the RoLRs]	
<b>Endorsement of revocation of authorisation</b>	[If the RoLR event was not caused by revoking a retailer's authorisation, the AER may in accordance with s.142, revoke the retailer's authorisation]	
<b>Additional information</b>	[Include any information that the AER considers necessary]	
<b>Requirements</b>	[Include any requirements to be complied with by the failed retailer, designated RoLR and subject to s. 143(3), other persons on who the notice is served. It may also include directions for gas, in accordance with s.137 of the Retail Law.]	

## 7.2 AER RoLR notification

- a) **AER mobile phone text message notification of RoLR notice under clause 2.1 (d)(i)(1) to Ministers, energy departments, failed retailer, insolvency official, AEMO, designated RoLRs, affected distributors and ombudsman**

The Australian Energy Regulator has issued a RoLR notice. The failed retailer is XX. The RoLR notice has been emailed to you. Contact [insert email address and telephone number] for further information.

- b) **AER email notification of RoLR Notice under clause 2.1 (d)(i)(1) to Ministers, energy departments, failed retailer, insolvency official, AEMO, designated RoLRs, affected distributors and ombudsman**

The Australian Energy Regulator announces that on [date] customers of [failed retailer] were transferred to designated retailers of last resort (RoLR). This follows [failed retailer] being [events or circumstances giving rise to the RoLR event]. As a result, the AER has issued a RoLR notice, setting out details of the RoLR event including naming the designated RoLRs and RoLR customer allocation. A copy of the RoLR notice is attached. A RoLR event questions and answers factsheet will be available from the AER website within the next couple of days. Contact [insert email address and telephone number] for further information.

- c) **Email notification of RoLR event to customer intermediaries**

The Australian Energy Regulator announces that on [date] customers of [failed retailer] were transferred to designated retailer(s) of last resort (RoLR). This follows [failed retailer] being [events or circumstances giving rise to the RoLR event]. As a result, the AER has issued a RoLR notice, setting out details of the RoLR event including naming the designated RoLRs and RoLR customer allocation. A copy of the RoLR notice is attached and will be available at the AER's website [www.aer.gov.au](http://www.aer.gov.au). A RoLR event questions and answers factsheet will be available from the AER website within the next couple of days.

#### d) Press release



Australian  
Competition &  
Consumer  
Commission



AUSTRALIAN  
ENERGY  
REGULATOR

### **Supply continues uninterrupted for customers of (failed retailer)**

The Australian Energy Regulator announces that the transfer of customers from (failed retailer) to retailers of last resort occurred after (failed retailer) was [e.g suspended from trading in the national electricity market] on [date].

If a retailer fails, the AER has the powers provided under the National Energy Retail Law to protect customers by facilitating their transfer to retailers of last resort.

This event occurred because [failed retailer] [e.g. reason for suspension. There are [X number] customers affected by this failure, situated in [jurisdictions]

The retailer(s) of last resort will be writing to customers shortly to explain the regulated terms of their supply and to ensure that customers receive full information and advice. The arrangements ensure that (failed retailer's) customers will continue to be supplied without interruption.

If a customer wishes to enter into a contract with another retailer, they should contact that retailer, which will provide the information they need and arrange the transfer.

The AER can provide information on choosing a new retailer and a list of alternative retailers.

The AER can be contacted on [AER phone number]. Alternatively customers can visit [www.aer.gov.au](http://www.aer.gov.au)

For further information contact:

X  
X

## 7.3 RoLR event questions and answers factsheet



Australian  
Competition &  
Consumer  
Commission



# Retailer of Last Resort (RoLR) event

## Frequently asked questions

### How will this information sheet help you?

- Who is the failed retailer and retailers of last resort?
- Will my energy supply be cut off?
- What happens to my contract with the failed retailer?
- Who do I go to for help?

#### 1. What is the name of the failed energy retailer?

The retailer is [failed retailer]. It services customers in [applicable states and territories]. It had [number of customers per jurisdiction e.g. X customers in NSW].

#### 2. If I am a customer of [failed retailer] who is my Retailer of Last Resort?

[details of designated RoLRs, including contact numbers]

#### 3. When and how did this happen?

[e.g. if RoLR event is caused by market suspension...

In order to supply customers with electricity or gas, energy retailers have to purchase their energy from the wholesale market. If an energy retailer does not have sufficient funds to pay for its present/future wholesale energy, the wholesale market operator will suspend the retailer from the market. This is what happened to [failed retailer] on [date]. If this happens, customers are transferred to the retailers of last resort designated by the Australian Energy Regulator].

#### 4. What was the reason for the retailer's failure?

The reasons contributing to a retailer's failure may be many in accordance with the company's strategy in the competitive market. [Insert failed retailer's statement or refer caller to announcements on the failed retailer's website for more information].

#### 5. Who will this affect?

The only customers affected will be those whose retailer was [failed retailer].

**6. What will happen to the customers?**

The Government has put a scheme in place called the Retailer of Last Resort scheme (or RoLR scheme), which means that if a retailer fails all customers are transferred to a RoLR and the customers do not lose continuity of supply. The retailers designated as RoLRs for this retail failure event are [list RoLRs per customer allocation].

**7. Will electricity/gas supplies be cut off?**

No customer is cut off from supply when a retailer fails. As the customer, you are not required to do anything or contact anyone in order to ensure your supply is not cut off. Your new retailer (a RoLR) will be in contact within the next month.

**8. I was a customer of [failed retailer] but have not been contacted yet by anyone.**

Your new retailer (a RoLR) should contact you within a month of the date your energy retailer failed. If you would like assistance to work out who your new retailer is, please go to [link] or call the AER on [phone number].

**9. I had just signed a contract with [failed retailer]. What does the failure of [failed retailer] mean?**

This depends on whether your transfer has been formally processed through the market operator's systems. If your transfer has not been processed, your transfer to {failed retailer} will be stopped and you will stay with your previous retailer. If your transfer has already been processed, you will be transferred to a new retailer (a RoLR). You are free to change to another contract with any retailer at anytime.

If you have been transferred to a RoLR you should receive written communication from them within the next month. If you have not been transferred, your retailer will send you written communication informing that you will remain on your previous contractual terms and conditions.

**10. I was disputing my last bill with [failed retailer] and they said they would look at it. What will happen now?**

You should contact the [failed retailer] as they or their administrator should have processes for handling unresolved customer complaints. If you have contacted them and you are dissatisfied with the outcome, you should contact the energy ombudsman in your state or territory.

**Energy & Water Ombudsman Queensland**

1800 662 837 [www.eoq.com.au](http://www.eoq.com.au)

**Energy & Water Ombudsman NSW**  
1800 246 545 [www.ewon.com.au](http://www.ewon.com.au)

**ACT Civil and Administrative Tribunal**  
02 6207 1740 [www.acat.act.gov.au](http://www.acat.act.gov.au)

**Energy and Water Ombudsman (Victoria)**  
1800 500 509 [www.ewov.com.au](http://www.ewov.com.au)

**Energy Industry Ombudsman South Australia**  
1800 665 565 [www.eiosa.com.au](http://www.eiosa.com.au)

**Energy Ombudsman Tasmania**  
1800 001 170 [www.energyombudsman.tas.gov.au](http://www.energyombudsman.tas.gov.au)

**11. I was paying [failed retailer] by direct debit. Will my direct debit automatically cease?**

[Failed retailer] has an obligation under the Retail Law to take steps to cancel direct debit authorisations, including Centrepay deductions. You should contact your financial institution to confirm that the direct debit arrangement with [failed retailer] has been cancelled.

**12. I made advanced paid amounts towards my energy bill to [failed retailer]. What happens now?**

[Failed retailer] must apply those amounts to the payment of your account, but only insofar as that payment is for energy consumed before you were transferred to your new retailer (a RoLR). Any remaining balance should be repaid to you.

**13. I have paid [Failed retailer] in whole or part for a service order (e.g. special meter read). What happens now?**

You do not have to pay for the service order again. Your new retailer (a RoLR) may place the order with the relevant distributor or if the order has been placed by [failed retailer], take steps to ensure its completion. You should speak directly to your new retailer regarding the status of your service order.

**14. I was on a payment plan with [Failed retailer]. When the [Failed retailer] sends the final bill, can I pay the outstanding amount in instalments?**

Yes. [failed retailer] must continue with the payment plan insofar as it provides for the payment of arrears in respect of energy consumed prior to the failure of your retailer.

**15. [failed retailer] required me to pay a security deposit when I joined them. Can I get it back?**



Yes. [failed retailer] must refund any security deposit (including any interest accrued on that deposit) without any deduction other than in respect of energy consumed (but not paid for) before the date of the retailer's failure.

**16. I had credit on my prepayment meter when the RoLR event occurred. Is [failed retailer] required to refund the amount owing?**

Yes. The value of any credit remaining in the prepayment meter system account as at the time of the failure of your retailer (the time at which a RoLR event was declared) must be made by the failed retailer to you without any deduction.

**17. I have received a letter from a new retailer informing me that [failed retailer] has been suspended from the market and I have been transferred to the new retailer. The retailer has also informed me that I will now be paying more than I was charged by [failed retailer]. Can the new retailer charge me more?**

Your new retailer (a RoLR) should be charging you the standing offer tariff. The standing offer tariff may be more than the price you were being charged under a market retail contract with [failed retailer]. In most states and territories the standing offer tariffs have been approved by an independent regulator or Government. In Victoria, standing offer tariffs are set by retailers and can only be changed every 6 months. In the Australian Capital Territory, gas prices are set by retailers.

Your options are to:

- obtain quotes from competing retailers and transfer to another retailer with a competitive offer
- ask for a description of your new retailer's market contracts, which may feature a lower tariff, and seek to change contracts
- do nothing, and after three months you will be transferred onto the retailers standard contract.

**18. How long will it take me to transfer from my new retailer?**

You are free to transfer anytime from your new retailer (a RoLR) and the transfer should happen within the same timeframe as any other transfer.

**19. I have received a bill from a new retailer but I did not consent to be a customer of that retailer.**

If you were a customer of [failed retailer] you should have received a letter from a new retailer (a RoLR) informing you that [failed retailer] has failed and you were therefore transferred to the RoLR for your area.

A RoLR is required by the Retail Law to protect you from being disconnected as a result of the failure of a retailer. Your consent was not required in order for you to be transferred to the RoLR.

Your new retailer (a RoLR) should be charging you the standing offer tariff (subject to cost recovery arrangements). In every State and Territory, except Victoria, these tariffs have been approved by an independent regulator or Government. In Victoria, standing offer tariffs are set by retailers and can only be changed every 6 months. In the Australian Capital Territory, gas prices are set by retailers.

Your options are to:

- obtain quotes from competing retailers and transfer to another retailer with a competitive offer
- ask for a description of the RoLR's market contracts, which may feature a lower tariff
- do nothing, and after three months you will be transferred onto the retailer's standard contract.

# Glossary

AER-AEMO RoLR event communication protocol	A protocol developed between the AER and AEMO to defines how AEMO and the AER intend to interact at a procedural level to give effect to RoLR requirements under the Retail Law.
affected distributors	Distributors which have customers of the failed retailer.
business day	Has the meaning given by s.2 of the Retail Law.
call notice	Has the meaning given by s.10 of the National Electricity Rules.
default notice	<p>Has the meaning given by s.10 of the Electricity Rules.</p> <p>With respect to the declared wholesale gas market, has the meaning given by s.200 of the Gas Rules.</p> <p>With respect to the short term trading market, has the meaning given by s.364 of the Gas Rules.</p>
declared wholesale gas market	Has the meaning given by s.2 of the Gas Law.
electricity NMI list report	As defined by the RoLR procedures.
hardship customers	Has the meaning given by s.2 of the Retail Law.
large customers	Has the meaning given by s.5 of the Retail Law.
margin call	<p>With respect to the declared wholesale gas market, has the meaning given by s.200 of the Gas Rules.</p> <p>With respect to the short term trading market, has the meaning given by s.364 of the Gas Rules.</p>
national electricity market	Has the meaning given by s.2 of the Electricity Law
pre-RoLR event NMI count & load report	As defined by the AER-AEMO RoLR event communication protocol.
pre-RoLR event MIRN/DPIs count & load report	As defined by the AER-AEMO RoLR event communication protocol.
registered RoLR	Has the meaning given in s. 122 of the Retail Law.

RoLR plan participant	Means a party identified by s. 162(4) or determined by the AER in accordance s. 162(4) of the Retail Law.
RoLR procedures	<p>Has the meaning given by s.144 of the Retail Law.</p> <p>The RoLR procedures are published and maintained by AEMO.</p> <p>In electricity the RoLR procedures are known as the NEM RoLR processes.</p> <p>In gas the RoLR procedures are located in each market's retail market procedures.</p>
short term trading market	Has the meaning given by s.2 of the Gas Law.
small customers	Has the meaning given by s.5 of the Retail Law.
standing instruction	Is a notice from the AER to AEMO setting out the electricity and gas default RoLRs and the RoLRs in the event of first tier retailer failure.
summary (MIRN/DPI count) RoLR report	As defined by the AER-AEMO RoLR event communication protocol.
summary (NMI count) RoLR report	As defined by the RoLR procedures.
suspension notice	<p>Has the meaning given by s.10 of the Electricity Rules.</p> <p>With respect to the declared wholesale gas market, has the meaning given by s.200 of the Gas Rules.</p> <p>With respect to the short term trading market, has the meaning given by s.364 of the Gas Rules.</p>