



# **DRAFT**

# **Retailer of Last Resort**

# **plan**

June 2015

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# 1 Introduction

## Background

- 1.1.1 Electricity and gas retailers operate in competitive markets. In this environment, it is possible that some gas and electricity retailers will fail. The Australian Energy Regulator (AER) works with other market participants to ensure customers of a failed retailer are protected.
- 1.1.2 Under the National Energy Retail Law (Retail Law), the national Retailer of Last Resort (RoLR) scheme establishes arrangements to transfer the customers of a failed retailer to another retailer, so that continuity of supply is maintained.<sup>1</sup>
- 1.1.3 The AER is responsible for administering several aspects of the national RoLR scheme, including developing, making and maintaining RoLR plans.<sup>2</sup>

## Purpose

- 1.2.1 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 (section 2).<sup>3</sup>
- 1.2.2 The RoLR plan also establishes the scope and frequency of RoLR scheme test exercises to be carried out by RoLR plan participants (section 3).<sup>4</sup> These exercises are designed to test the systems and processes of RoLR plan participants for managing a RoLR event.

## Development and maintenance of the RoLR plan

- 1.3.1 The RoLR plan was developed, and is maintained, by the AER in consultation with ministers of participating jurisdictions and RoLR plan participants.
- 1.3.2 The AER will review the RoLR plan at such times it considers appropriate.<sup>5</sup> Where a review identifies the need to amend the RoLR plan, the AER will consult on and implement the amendments as soon as practicable.
- 1.3.3 The ministers of participating jurisdictions and RoLR plan participants may propose amendments to the RoLR plan to the AER.
- 1.3.4 The AER will consult with the ministers of participating jurisdictions and RoLR plan participants on any proposed changes to the RoLR plan.
- 1.3.5 Changes to the RoLR plan will not be retrospective.

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

2 s. 162(1) National Energy Retail Law.

3 s. 162(2)(a) National Energy Retail Law.

4 s. 162(2)(b) National Energy Retail Law.

5 s.162(8) National Energy Retail Law.

## RoLR plan participants

1.4.1 The RoLR plan participants are:

- the AER
- the Australian Energy Market Operator (AEMO)
- energy departments of participating jurisdictions<sup>6</sup>
- retailers, including failed retailers<sup>7</sup>, registered RoLRs (both default RoLRs and additional RoLRs) and designated RoLRs<sup>8</sup>
- distributors<sup>9</sup>
- ombudsman schemes.<sup>10</sup>

## Consistency with RoLR procedures

1.5.1 Where AEMO makes procedures pursuant to the National Electricity Law (Electricity Law) or National Gas Law (Gas Law), it may include matters relating to the operation or implementation of the RoLR scheme (RoLR procedures).<sup>11</sup>

1.5.2 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>12</sup>

1.5.3 The RoLR plan must be consistent with AEMO's RoLR procedures.<sup>13</sup>

1.5.4 Where there is an inconsistency between the RoLR plan and the RoLR procedures, the RoLR procedures take precedence.

## Confidentiality and use of information

1.6.1 The AER's obligations regarding confidentiality and disclosure of information provided to it by a regulated entity are governed by the Retail Law, Electricity 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*, available from the AER's website.<sup>14</sup>

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6 Means the department or agency nominated by the minister of the participating jurisdiction to participate in the RoLR plan.

7 Communication and obligations to the failed retailer can also apply to an insolvency official of the failed retailer.

8 Has the meanings given by s. 122 National Energy Retail Law.

9 Has the meaning given in s. 2 National Energy Retail Law.

10 Means the Energy & Water Ombudsman Queensland, Energy & Water Ombudsman NSW, ACT Civil and Administrative Tribunal, Energy and Water Ombudsman (Victoria), Energy & Water Ombudsman South Australia and the Energy Ombudsman Tasmania.

11 s. 144(1) National Energy Retail Law

12 ss. 144(1) (a) & (b) National Energy Retail Law.

13 s. 162(3) National Energy Retail Law.

14 <http://www.aer.gov.au/node/6280>

- 1.6.2 Information obtained by the AER under the Retail Law may be used in the performance or exercise of the AER's functions or powers under the Electricity Law, Electricity Rules, Gas Law and Gas Rules.<sup>15</sup>
- 1.6.3 Information may be shared between the AER and ACCC under ss. 44AAF and 157A of the Competition and Consumer Act. 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 may share and use that information in the context of the other matter subject to any specific legal requirement to the contrary.
- 1.6.4 In relation to the RoLR scheme, RoLR plan participants must act in accordance with the confidentiality provisions set out in s. 131 of the Retail Law.

## Enforceability

- 1.7.1 RoLR plan participants must use their best endeavours to comply with the RoLR plan.<sup>16</sup>
- 1.7.2 The AER will monitor and enforce the RoLR plan. Its approach to monitoring and enforcement is set out in the *Compliance procedures and guidelines* and *Compliance and enforcement statement of approach* documents.<sup>17</sup>

## Counting days and time

- 1.8.1 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>18</sup>
- 1.8.2 Any time referred to in the RoLR plan is Australian Eastern Standard Time.

## Contacts

- 1.9.1 The AER's contact details for all RoLR matters are:
- (a) email: [AERRoLR@aer.gov.au](mailto:AERRoLR@ aer.gov.au)
  - (b) phone: General Manager, Wholesale Markets Branch (phone details available on the AER website).
- 1.9.2 Ministers and energy departments of participating jurisdictions, AEMO, retailers, distributors and ombudsman schemes are to provide the AER with 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. Supplementary contacts may be provided, particularly where there is a risk the two nominated contacts may not be available.
- 1.9.3 Retailers and distributors must also provide RoLR contacts to AEMO through its Retail operations contact list.

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<sup>15</sup> s. 216 National Energy Retail Law.

<sup>16</sup> s. 162(6) National Energy Retail Law

<sup>17</sup> <http://www.aer.gov.au/retail-markets/enforcement-matters>.

<sup>18</sup> Has the meaning given by s. 2 of the Retail Law.

- 1.9.4 Participants listed in paragraph 1.9.2 must notify the AER and AEMO (for retailers and distributors) within five business days if a nominated contact changes. The AER may disseminate retailers' and distributors' RoLR contact information to relevant market participants before or during a RoLR event if we consider it necessary.

## 2 Obligations on RoLR plan participants

### Australian Energy Regulator

#### Information flows prior to the RoLR event (general)

- 2.1.1 When the AER has formed a belief that there is a risk of a RoLR event, the AER will advise AEMO, ministers and energy departments of participating jurisdictions as soon as possible, and within one day of forming the belief.
- 2.1.2 Where appropriate, the AER may also advise:
- (c) registered RoLRs and distributors
  - (d) ombudsman schemes.
- 2.1.3 The AER will provide advice in accordance with paragraphs 2.1.1 and 2.1.2 via email, telephone or other communication means as appropriate.

#### Information flows prior to the RoLR event (wholesale market)

- 2.2.1 Upon AEMO notifying the AER that:
- (e) a retailer has failed to meet the requirements of a call notice or margin call, or
  - (f) a retailer has been issued with a default notice, or
  - (g) a retailer has satisfied the requirements of a default notice, or
  - (h) 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 two hours following receipt of the AEMO advice.
- 2.2.2 If the AER receives notification of an event outlined in paragraph 2.2.1, the AER may advise registered RoLRs, distributors, and ombudsman schemes that it has received notification, but will not disclose the name of the retailer (unless disclosure has occurred under the Gas Rules).
- 2.2.3 The AER will provide advice in accordance with paragraphs 2.2.1 and 2.2.2 via email, telephone or other communication means as appropriate.

#### Information flows prior to the RoLR event (additional RoLR appointment)

- 2.3.1 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>19</sup>
- 2.3.2 The AER may, by notice in writing, appoint an additional RoLR as a designated RoLR in respect of a RoLR event before the event occurs.<sup>20</sup>

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<sup>19</sup> s. 130(4) National Energy Retail Law.



- 2.3.3 When the AER has formed a belief that a RoLR event may be triggered by AEMO:
- (a) suspending the right of the retailer to acquire energy from an energy market,<sup>21</sup>  
or
  - (b) revoking the retailer's registration to participate in an energy market,<sup>22</sup>
- the AER will notify AEMO if an additional RoLR will be appointed as the designated RoLR as soon as is practicable following the appointment, and prior to the suspension of the retailer's right to acquire energy taking effect, or revocation of the registration to participate in the energy market(s) taking effect.
- 2.3.4 When the AER has formed a belief that a RoLR event may be triggered other than in accordance with paragraph 2.3.3, the AER will notify AEMO if an additional RoLR will be appointed as the designated RoLR as soon as is practicable following the appointment, and prior to the transfer date<sup>23</sup> for customers of the failed retailer as set out in the RoLR notice.
- 2.3.5 If the AER does not provide a notice in writing to AEMO concerning additional RoLR appointments before the time set out in paragraphs 2.3.3 and 2.3.4, default RoLRs will be appointed in accordance with the AER's standing instructions to AEMO.
- 2.3.6 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:
- (a) ministers and energy departments of participating jurisdictions
  - (b) default RoLRs
  - (c) distributors
  - (d) ombudsman schemes.
- 2.3.7 The AER will provide advice in accordance with paragraphs 2.3.3, 2.3.4 and 2.3.6 via email, telephone or other communication means as appropriate.

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20 s. 132(2) National Energy Retail Law.

21 Including electricity from the wholesale exchange, gas from the declared wholesale gas market or short term trading market.

22 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 declared wholesale gas market or short term trading market. Where there is no declared wholesale gas market or short term trading market, the retailer ceases to be a registered participant in a retail gas market.

23 The transfer date is the date on which wholesale and retail responsibility for customers of the failed retailer is transferred from the failed retailer to the designated RoLR(s).

## Information flows after the RoLR event

### RoLR notice

- 2.4.1 The AER will issue a RoLR notice as soon as practicable after a RoLR event occurs to:<sup>24</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(s)
  - (f) affected distributors
  - (g) any service provider for a gas transmission pipeline, gas producer or other person subject to directions for gas under s. 137 of the Retail Law
  - (h) ombudsman schemes.
- 2.4.2 The AER will give the failed retailer (or its insolvency official) the RoLR notice at its registered office and (if different) its principal place of business.
- 2.4.3 The AER will give the RoLR notice to all other parties in paragraph 2.4.1 via email (telephone or text message or other communication means may also be used as appropriate to alert parties to the provision of the RoLR notice).
- 2.4.4 The AER will publish the RoLR notice on its website as soon as possible, and within 24 hours of it becoming aware of the RoLR event.<sup>25</sup>

### Media & RoLR consumer information

- 2.5.1 As soon as possible and within one business day of issuing the RoLR notice, the AER will:
- (a) publish the AER's RoLR event phone number  
*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) publish a questions and answers factsheet for consumers about the RoLR event on its website
  - (d) email notification of the RoLR event to retailers and customer intermediaries.
- 2.5.2 The AER may also publish newspaper, radio or television advertisements to inform the affected community about the RoLR event.<sup>26</sup>

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24 s. 138 National Energy Retail Law.

25 s. 139(1)(a) National Energy Retail Law.

26 s. 139(3) National Energy Retail Law.

## RoLR event reports

- 2.6.1 The AER will prepare, in consultation with AEMO, a RoLR event report.<sup>27</sup>
- 2.6.2 The AER will provide the RoLR event report to the Council of Australian Governments Energy Council within 80 days of the transfer date for customers of the failed retailer, or such later time as the COAG Energy Council agrees.

## Communication to ombudsman schemes

- 2.7.1 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.

## Ongoing communication

- 2.8.1 Where required, the AER will communicate with:
  - (a) the ministers of participating jurisdictions
  - (b) RoLR plan participants
  - (c) such other persons as the AER considers relevantto enable it to perform its functions under the RoLR scheme.

## RoLR exercises

- 2.9.1 With the assistance of AEMO, the AER will organise RoLR exercises as set out in section 3 of this RoLR plan.<sup>28</sup>
- 2.9.2 The AER will publish a report on the RoLR exercise on its website, within 20 business days of the exercise date.

## RoLR plan

- 2.10.1 The AER will review and amend the RoLR plan in accordance with paragraphs 1.3.1–1.3.5 of this plan.

# Australian Energy Market Operator

## Information flows prior to the RoLR event (general)

- 2.11.1 AEMO must without delay notify the AER of any event, circumstance or matter of which AEMO is aware that:<sup>29</sup>
  - (a) it has reason to believe may affect a retailer's ability to maintain continuity of the sale of energy to its customers, or
  - (b) may give rise to a RoLR event.

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<sup>27</sup> s. 172 National Energy Retail Law.

<sup>28</sup> s. 162(2)(b) National Energy Retail Law.

<sup>29</sup> s. 150(1) National Energy Retail Law.

- 2.11.2 AEMO will notify the AER in accordance with paragraph 2.11.1 via email (telephone or text message or other communication means may also be used as appropriate).

### Information flows prior to the RoLR event (wholesale market)

- 2.12.1 AEMO will notify the AER when:
- (a) a call notice / margin call is issued to a retailer
  - (b) a retailer satisfies or does not satisfy a call notice / margin call
  - (c) a default notice is issued to a retailer
  - (d) a retailer satisfies or does not satisfy a default notice,<sup>30</sup>
  - (e) a retailer is issued a suspension notice that prevents the retailer from acquiring energy from an energy market,<sup>31</sup>
  - (f) a retailer's registration is revoked in relation to participating in an energy market.<sup>32</sup>
- 2.12.2 AEMO will provide notification to the AER for events in paragraph 2.12.1 (a)–(d) as soon as possible; and within two hours of the event 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.<sup>33</sup>
- 2.12.3 AEMO will provide notification to the AER for events in paragraph 2.12.1 (e)–(f), via telephone as soon as possible and within two hours of the event.
- 2.12.4 AEMO will provide the AER with the pre-RoLR event (NMI) count & load report and pre-RoLR event (MIRN/DPI) count & load report in accordance with the *AER-AEMO RoLR event communication protocol*:
- (a) following the issue of a call notice or margin call, where AEMO has formed a belief that there is a risk of a RoLR event
  - (b) following the failure of a retailer to meet a call notice or margin call
  - (c) following the issue of a default notice in the event a call notice or margin call was not issued
  - (d) at the AER's request, where the AER has formed a belief that there is a risk of a RoLR event.

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30 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.

31 Includes electricity from the wholesale exchange, gas from the declared wholesale gas market or short term trading market.

32 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.

33 A telephone call is not required where a margin call is issued.

## Information flows after the RoLR event

- 2.13.1 AEMO will notify the AER when customer transfers for the RoLR event have been initiated in their metering and settlement systems via email within two hours of the transfers commencing.
- 2.13.2 AEMO will distribute a copy of the RoLR notice to registered participants as soon as practicable.<sup>34</sup>
- 2.13.3 AEMO will publish a copy of the RoLR notice on its website as soon as practicable and within 24 hours of receiving the RoLR notice.
- 2.13.4 For an electricity RoLR event, AEMO will, in accordance with the RoLR procedures:
- (a) provide the summary NMI RoLR report to the AER and affected participants within two business days of the RoLR event<sup>35</sup>
  - (b) provide a transfers in progress report to the AER within two days of completing all transfers<sup>36</sup>
  - (c) provide an electricity NMI list report to affected participants within 17 business days of the RoLR event. AEMO will notify the AER that it has provided the electricity NMI list report to affected participants.
- 2.13.5 For a gas RoLR event, AEMO will:
- (a) notify the AER as soon as practicable following the provision of customer details for affected MIRNs/DPIs to the designated RoLR(s)<sup>37</sup>
  - (b) provide the AER with a summary MIRN/DPI RoLR report within two business days of the RoLR event.
- 2.13.6 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.

## RoLR exercises

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

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34 s. 138(1)(d) National Energy Retail Law.

35 cl. 4.5 NEM RoLR processes version 1.3 (as amended from time to time).

36 cl. 12.5 NEM RoLR processes version 1.3 (as amended from time to time).

37 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).

## Retailers

### Information flows prior to the RoLR event (general)

- 2.15.1 A retailer must notify the AER and AEMO of any event, circumstance or matter of which the retailer is aware that:<sup>38</sup>
- (a) it has reason to believe may affect its ability to maintain continuity of the sale of energy to its customers, or
  - (b) may give rise to a RoLR event.
- 2.15.2 A retailer will notify the AER of events in paragraph 2.15.1 via telephone and email within two hours of becoming aware of the event, circumstance or matter.

### Information after the RoLR event

- 2.16.1 Customer transfers to a failed retailer underway at the time of a RoLR event are cancelled in accordance with s. 140(6) of the Retail Law. Retailers must communicate in writing, details of the RoLR event to each customer they retain as a result of these cancellations within three business days of a RoLR event.<sup>39</sup>
- 2.16.2 When communicating to a customer under paragraph 2.16.1, the retailer must set out that (subject to the RoLR procedures):<sup>40</sup>
- (a) the customer will remain on its previous contractual terms and conditions
  - (b) the customer may terminate the contract with that retailer on one month's notice, or a lesser period if allowed by the previous contractual terms and conditions.

### RoLR exercises

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

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

### Information flows after the RoLR event

#### Communication to the AER

- 2.18.1 A failed retailer or an insolvency official of the failed retailer will notify the AER:
- (a) as soon as practicable following a RoLR event

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38 s. 150(2) National Energy Retail Law.

39 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.

40 s. 140(6)(b)&(c) National Energy Retail Law.

- (b) when it has provided details of its customers to the designated RoLR(s), as required by paragraphs 2.20.1 and 2.20.2 of this plan, and
- (c) when it has sent written information to the former customers of the failed retailer, as required by paragraph 2.19.2 of this plan.

2.18.2 Notification will be provided by email and any other means requested by the AER. Notification under paragraphs 2.18.1(b) and 2.18.1(c) will be provided to the AER within one business day of completion.

### **Communication to affected small customers**

- 2.19.1 If possible, the failed retailer or an insolvency official of the failed retailer will:<sup>41</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.

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

2.19.3 Where applicable, the information provided by the failed retailer or an insolvency official of the failed retailer will include:

- (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 or on cards used with card-operated meters 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>42</sup>

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

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41 s. 139 National Energy Retail Law.

42 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).

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

- 2.19.4 A failed retailer or an insolvency official of the failed retailer will maintain communication channels for former customers of the failed retailer to raise and resolve complaints or disputes arising on, before or after the transfer date of the RoLR event.<sup>43</sup>

## **Communication to designated RoLRs**

- 2.20.1 A failed retailer or an insolvency official of the failed retailer will provide details of its customers to the designated RoLR(s), in accordance with the RoLR procedures.
- 2.20.2 When providing details of its former customers to the designated RoLR, a failed retailer or the insolvency official of the failed retailer will clearly identify:
- (a) customers registered as requiring life support equipment
  - (b) hardship customers
  - (c) customers in receipt of any pension, health or social security payments to, rebates for or benefits or concessions of a customer.

## **Communication with ombudsman schemes**

- 2.21.1 A failed retailer or an insolvency official of the failed retailer will maintain all procedures in place, including communication channels, with ombudsman schemes for resolving customer complaints or disputes arising on, before or after the RoLR event.<sup>44</sup>

## **Designated RoLRs**

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

#### **Communication to the AER**

- 2.22.1 In accordance with the RoLR procedures, a designated RoLR will notify the AER when it has received details of the failed retailer's customers.
- 2.22.2 Notification will be provided by email and any other means requested by the AER, within one business day of receipt of the information.
- 2.22.3 For a gas RoLR event, a designated RoLR should notify the AER by email and phone as soon as it becomes aware that the gas supply or capacity available to it may be insufficient to service the customers of the failed retailer.<sup>45</sup>

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43 s. 141(4) National Energy Retail Law.

44 s. 141(4) National Energy Retail Law.

45 Where the AER receives notification of insufficient gas supply or capacity, it will consider issuing a direction for gas under s. 137 of the Retail Law.



## Communication to affected small customers

2.23.1 A designated RoLR will:<sup>46</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.

2.23.2 A designated RoLR will send written communication in plain English regarding the RoLR event to the customers of the failed retailer.<sup>47</sup> The information must include:

- (a) the applicable tariffs, terms and conditions of the contract that the customer will be transferred to
- (b) a statement that the customer can transfer to another retailer or contract at anytime
- (c) questions to the customer, 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, credits on cards used with card-operated 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>48</sup>

*Designated RoLRs 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.*

## Communication to affected large customers

2.24.1 A 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 and how they can quickly disconnect their energy supply if necessary.<sup>49</sup>

2.24.2 A 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.

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46 s. 139 National Energy Retail Law.

47 s. 163(b)(ii) National Energy Retail Law.

48 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.

49 s. 163(b)(iii) National Energy Retail Law.

- 2.24.3 If possible, a designated RoLR will 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>50</sup>

### **Communication to ombudsman schemes**

- 2.25.1 A designated RoLR will notify relevant ombudsman schemes of any matters that have arisen from the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.

## **Distributors**

### **Information flows prior to the RoLR event (general)**

- 2.26.1 A distributor may notify the AER of any event, circumstance or matter which:
- (a) it has reason to believe may affect a retailer's ability to maintain continuity of the sale of energy to its customers, or
  - (b) may give rise to a RoLR event.

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

#### **Communication to the AER**

- 2.27.1 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 RoLR(s).
- 2.27.2 Notification will be provided by email, and any other means requested by the AER, within one business day of the details being provided to the designated RoLR(s).

#### **Communication to ombudsman schemes**

- 2.28.1 A distributor will notify relevant ombudsman schemes of any matters that have arisen from the RoLR event which may affect the ombudsman scheme's handling of a customer complaint or dispute.

## **RoLR exercises**

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

## **Ombudsman schemes**

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

- 2.30.1 Ombudsman schemes, where required, will liaise with the failed retailer, insolvency official of the failed retailer, designated RoLRs, distributors, AER,

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<sup>50</sup> s. 163(b)(iii) National Energy Retail Law.

AEMO, ministers and energy departments of participating jurisdictions regarding any matter, complaint or dispute arising from the RoLR event.

- 2.30.2 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.

### **RoLR exercises**

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

## 3 RoLR exercises

### Purpose

- 3.1.1 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.

### Scope

- 3.2.1 Each RoLR exercise will be a desktop exercise.
- 3.2.2 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, the gas short term trading market and the declared wholesale gas market.<sup>51</sup> However, the AER may limit the number of markets included in the scope of a RoLR exercise if deemed appropriate.

### Frequency

- 3.3.1 RoLR exercises will be conducted on a regular basis, on dates determined between the AER and AEMO.
- 3.3.2 The AER will aim to conduct a RoLR exercise every 12–18 months, subject to the occurrence of any RoLR events.
- 3.3.3 The AER will use best endeavours to give RoLR plan participants three months' notice before a RoLR exercise is conducted.

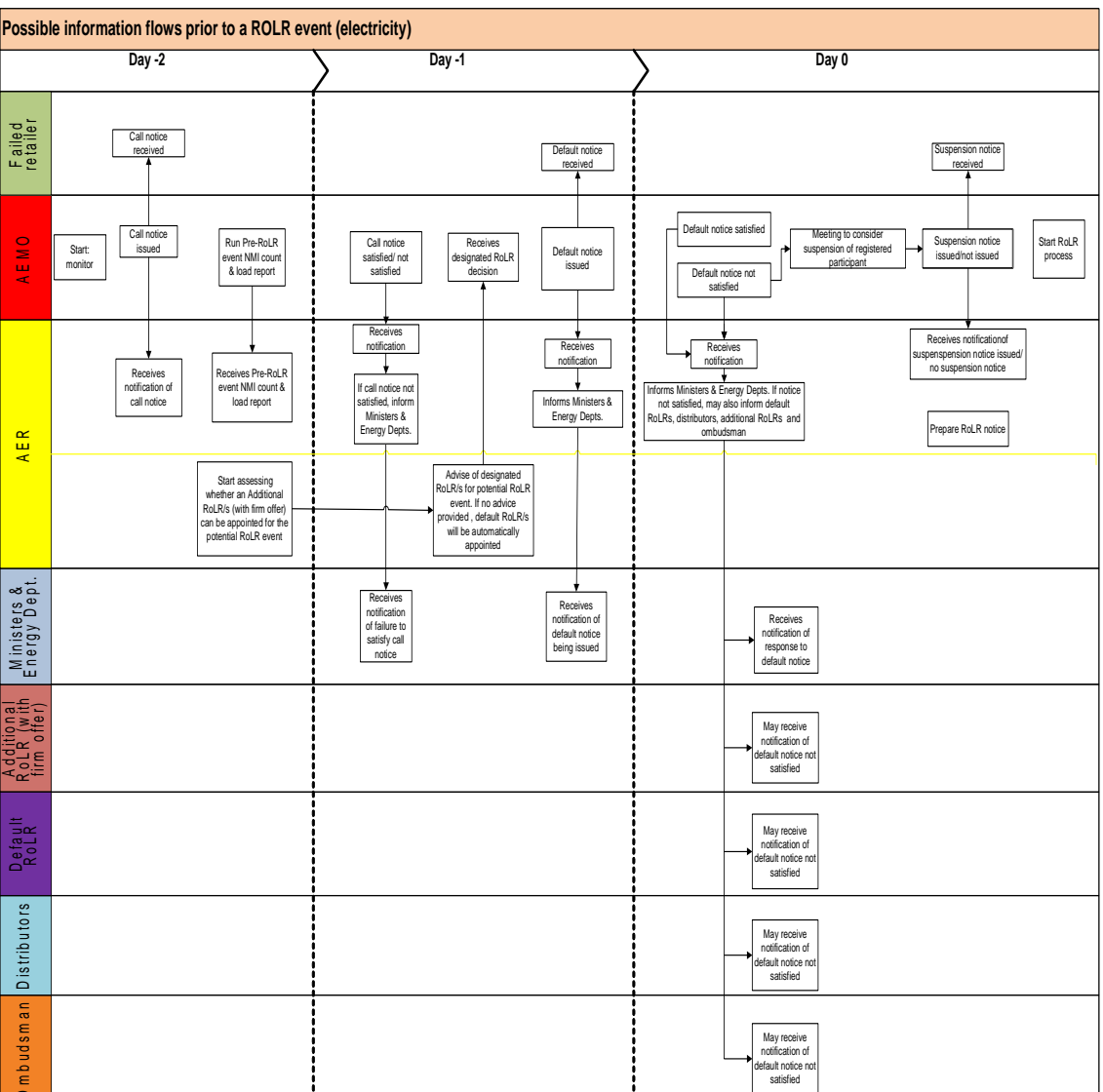
### Participation

- 3.4.1 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.
- 3.4.2 RoLR plan participants must use best endeavours to participate in RoLR exercises.
- 3.4.3 Despite paragraph 3.4.2, 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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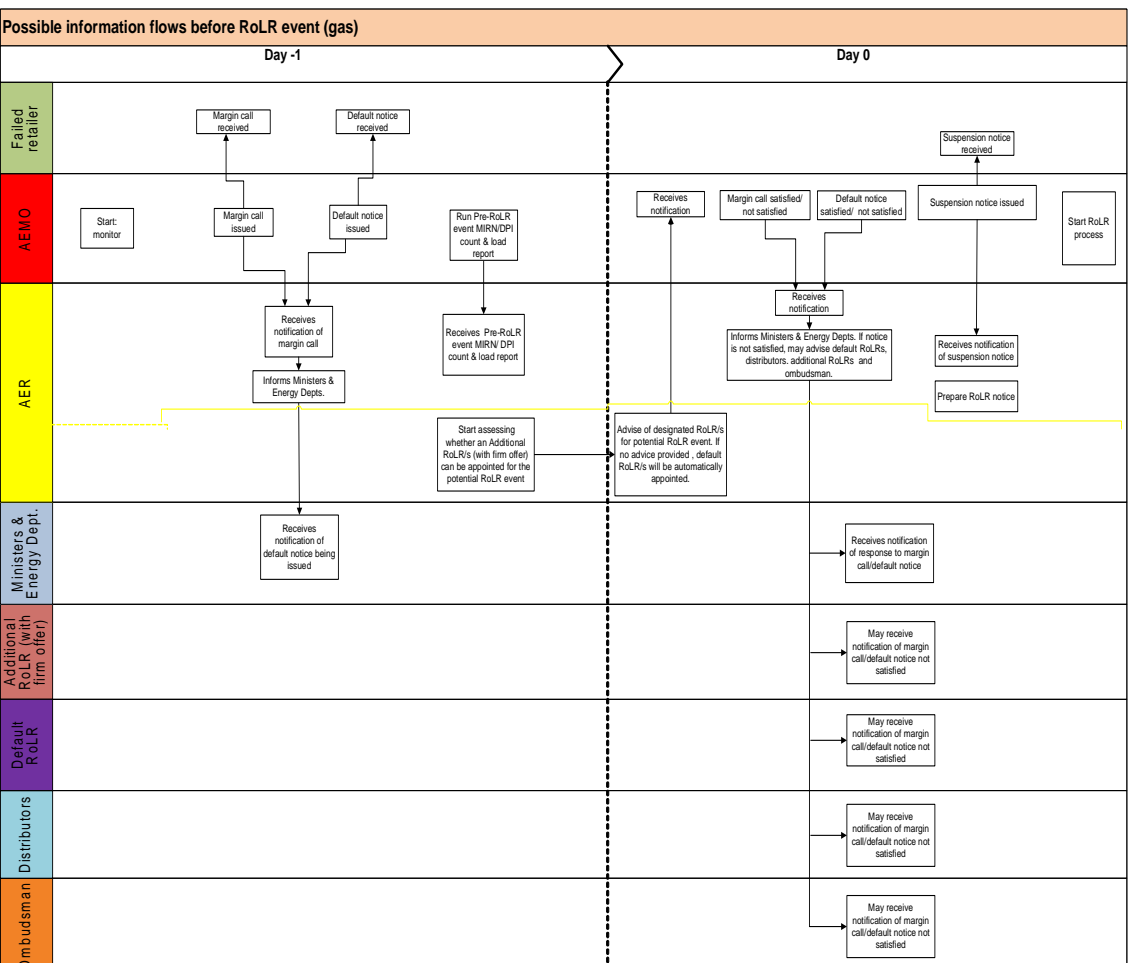
<sup>51</sup> The declared wholesale gas market will only be included in RoLR exercises following the implementation of the National Energy Customer Framework in Victoria.

# Attachment 1: Summary of pre-RoLR event communications (wholesale market suspension - electricity)

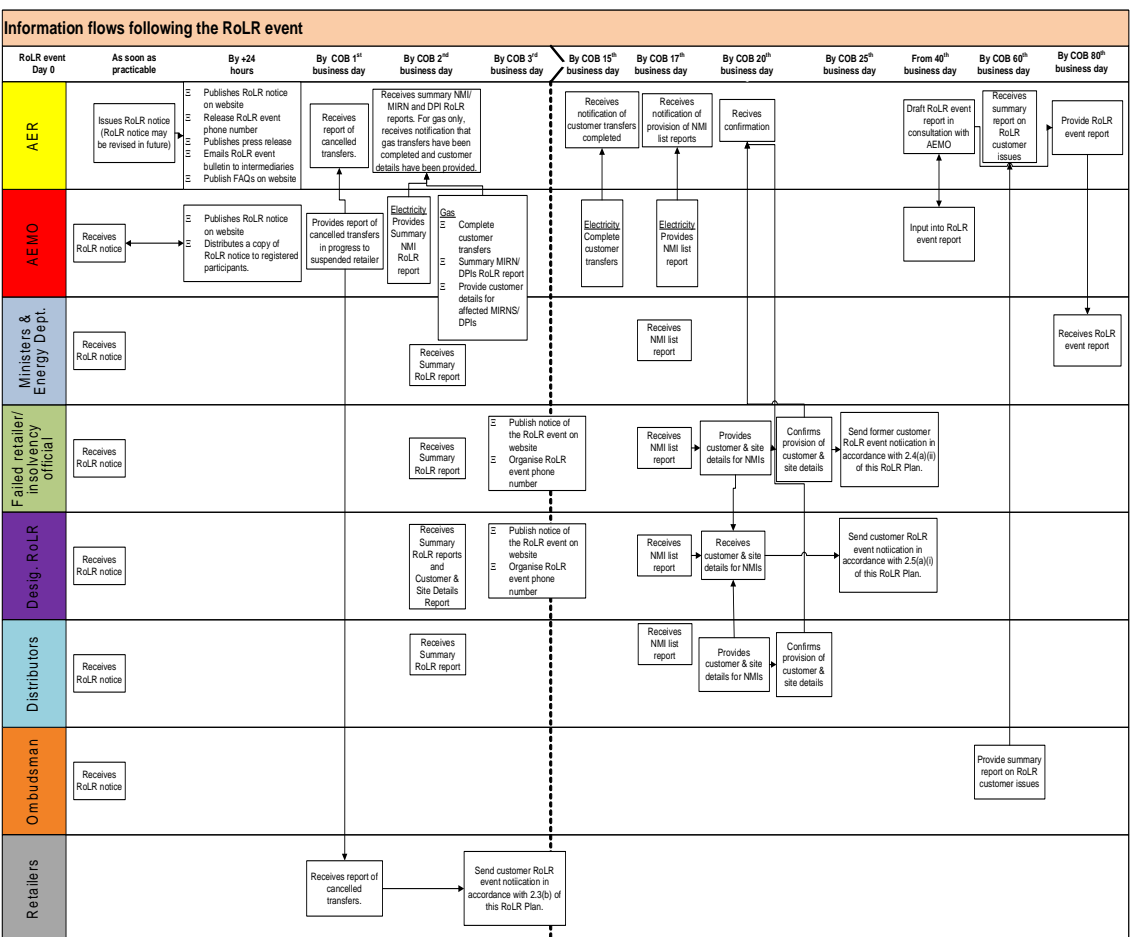


*For the purpose of the RoLR plan, this flow chart deals with wholesale market suspensions. It assumes little notice. Other circumstances where the AER may have greater notice of a RoLR event are discussed in the AER's statement of approach.*

# Attachment 2: Summary of pre-RoLR event communications (wholesale market suspension - gas)



# Attachment 3: Summary of RoLR event communications



## Glossary

AER-AEMO RoLR event communication protocol	A protocol developed between the AER and AEMO to define 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 rule 10 of the Electricity Rules.
default notice	Has the meaning given by rule 10 of the Electricity Rules.  For the declared wholesale gas market, has the meaning given by rule 200 of the Gas Rules.  For the short term trading market, has the meaning given by rule 364 of the Gas Rules.
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 customer	Has the meaning given by s. 2 of the Retail Law.
large customer	Has the meaning given by s. 5 of the Retail Law.
margin call	For the declared wholesale gas market, has the meaning given by rule 200 of the Gas Rules.  For the short term trading market, has the meaning given by rule 364 of the Gas Rules.
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 under 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 customer	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 rule 10 of the Electricity Rules.</p> <p>For the declared wholesale gas market, has the meaning given by rule 200 of the Gas Rules.</p> <p>For the short term trading market, has the meaning given by rule 364 of the Gas Rules.</p>