



PURPLE HOUSE

Submission to Utilities Commission of the Northern Territory – electricity supply code review

Purple House is a community-founded organisation providing remote dialysis and associated health and social services for remote living people in Central Australia. We understand that energy security is fundamental to health and wellbeing, and to the services we provide for people with healthcare vulnerabilities.

We welcome the opportunity to comment on review of the Utilities Commission of the Northern Territory, Electricity Supply Code review, as we recognise that there are significant implications of energy poverty and energy insecurity and how this impact upon those living in remote and regional Indigenous communities.

In the Northern Territory where the majority of our clients reside, there is emerging evidence that energy insecurity is not only chronic and acute, but that it is also a much greater driver of poor health outcomes in the home than previously recognised. In Tangentyere Council's submission to the House of Representatives Inquiry into Homelessness in Australia 2020 (supplementary submission), it was demonstrated that Town Camp dwellings were disconnected from access to energy on average once every week for approximately five hours per completed disconnection event. There is Central Australian research that is in the process of being published that demonstrates that remote houses have even more substantial burden of self-disconnect. Whilst the national average is less than 1.09% of houses (AER 2019) disconnecting from power each year, in remote NT it is known to be a high proportion of all houses, many times per year.

Our experience is that many remote living people now live with an expectation that an interrupted energy supply is 'normal'. In an environment where disconnection is ubiquitous, frequent trips to the community store to top up the 'powercard' invariably require also re-purchasing food and vital medicines, that have been spoilt by frequent disconnection from energy services. In these circumstances, whitegoods may become a liability - indeed we observe that many remote dwellings do not have refrigerators, as residents sensibly develop coping strategies to offset food storage costs to community stores. This impacts upon food security and healthy food choices in the home. During temperature extremes disconnection rates unsurprisingly increase in response to residents efforts to cool or heat their homes. At this point – precisely as cooling or heating is most required - energy security is most compromised, leading to dwellings becoming either very hot or very cold. Such conditions have direct impacts on health and wellbeing, particularly for those who are very young, old or frail, those who have pre-existing medical conditions or health vulnerabilities. Furthermore, this can contribute to over-crowding for those dwellings that have not disconnected, as residents seek the services that energy can provide in the homes of their kin. This subsequent overcrowding is a primary vector for a multitude of infectious diseases that are known to contribute to the very poor health status of remote living people.

Unlike within the National Energy Market, where disconnection rates are recorded and reported against annually, in the NT there is an almost complete deficit of social contract between governing bodies, energy utilities and consumers in regard to electricity supply, and attendant impacts upon individual and communal wellbeing. We are aware of a number of recent cases where energy insecurity for people with significant health conditions, for instance those requiring oxygen concentrators as an example, where electricity disconnection has had tragic outcomes.

In response to the Electricity Supply Code review:

Question 1 – In general, is the ERS code still relevant for the Territory’s electricity supply industry? Why?

The Purple House provides remote dialysis and other health and social support services to remote living people, and as such has limited capacity to comment on the corporate nature of the ERS.

Having said that, we are aware of a gross inequity between energy security of town-camp and remote-living people and their non-Indigenous Territorian neighbours.

We are aware that many of the communities that we service are having Solar Farms installed. Yet, the inverse relationship between community and the network service provider requires a trade-off and so far, the benefits of a transition to an increasing penetration of solar power have largely bypassed the residents of these remote communities. Yet it is well-known that Indigenous benefit is derived from a) the prevailing legislative regime and whether it favours Aboriginal interests, b) the political capacity of Aboriginal people and Traditional Owners to insist governments and companies meet their obligations, including their obligations under the United Nations Declaration of the Rights of Indigenous Peoples 2007, c) the extent to which companies and governments are committed to principles of social justice and social responsibility and d) that broader benefits flow to local communities that are well-resourced and well informed, with a stake in development including equity and ownership.

In the context of community housing and the widespread use of prepayment metering, much more needs to be done to realize the benefits of a transition to renewable energy resources locally to improve local energy security and address local priorities.

For example, in Alice Springs, the vast majority of private home-owners are the direct beneficiaries of solar technology through rooftop solar installations, with the return on investment being estimated to be between 2-5 years. Nationally almost one in four rooftops in Australia now benefits from solar, and many homeowners have been benefitting financially from available renewable energy buyback schemes for more than two decades. Almost all of these rooftop installations have been achieved with direct Government incentives programs and have paid handsomely for those ‘first movers’ with access to information and capital to realize these opportunities.

Remote community Rooftop Solar represents an opportunity to assist remote living households to lift out of energy poverty, and if coupled with prepaid metering that would allow feed-in tariff to offset cost, then could resolve the most vexing aspects of remote community energy insecurity. The sun would come up and debts would be lessened.

In the NT, residents in Town Camps and the National Partnership Agreement’s remote housing footprint are locked out of the economic benefits of solar power, and there is – to our knowledge currently - not a single dwelling with panels on its roof. Smartmeters in the NT do not allow for

rooftop solar. NT PWC has refused to allow smart-meters to have a feed-in tariff, and should a household enter a zero-export agreement where the householder receives no benefit other than offsetting their own energy-use, this requires changing to post-paid arrangements. This has the practical effect of presenting a final hurdle prohibiting prepayment customers from installing solar, should they have negotiated the not insignificant bureaucracy associated with installing infrastructure on community housing.

Since the unilateral introduction of a 'user-pays' system for energy provision in remote communities in 1992, there has been a gross deficit in policy and legislation to protect Indigenous remote-living consumers who have long been exempt from the broader protections of the National Energy Market (NEM). Likewise, there is no broader energy policy about remote and public and solar opportunities to assist lifting householders out of poverty, as measured by the metric of disconnection as an indicator of energy insecurity, and there is currently no attempt at Commonwealth or Territory level to realise this very tangible solution, which is effectively undermining wider efforts at addressing health inequities.

Question 2 - Are there any matters that should be removed or added to the ERS Code to make it more relevant and/or effective given the current state of the Northern Territory electricity industry?

Whilst private enterprise is installing large solar farms in many remote communities, Indigenous Territorians are being locked out of the opportunity for rooftop solar to lift households out of energy poverty. This must be urgently addressed as it represents a comprehensive solution to the vexing problems of profound energy insecurity that contribute to the poor health outcomes of remote living Indigenous people.

This is of particular relevance to our client group who have health vulnerabilities that pre-dispose them to for instance mortality associated with extreme heat events when they do not have the resources to air-condition indoor space on very hot days.

There is also no need for any utility to publicly report on rates of self-disconnection. According to research conducted by Tangentyere, disconnection rates in Alice Springs town camps are severe, and likely to be even worse in remote housing. Utilities providing power to remote living residents need to report disconnection rates. There needs to be community engagement and policy development to drive legislated requirements to protect people from energy poverty, particularly in light of the extreme heat experienced by all of our communities which will become worse as the impact of climate change is experienced.

Question 3 - Should the ERS Code include a clause to allow generators to request a retailer to provide credit support if they have poor payment history, even if they have an acceptable credit rating as defined in the ERS Code? Why?

With the severe rates of poverty and over-crowded housing, approaching the problem of disconnection through a single lens of consumer fiscal responsibility makes no sense. The cost of business-as-usual in not addressing energy poverty comes at extreme expense in terms of acute and chronic healthcare resources, emergency transportation, failed education of children living in energy poverty, and so on.

Issues of self-disconnection are complex and include financial illiteracy, poor education, overcrowded housing, poor insulation and building design leading to increased energy demands for heating/cooling, and lack of clarity around tenancy responsibility, poverty, food and transport insecurity, and remoteness.

Current aspects of Smartmeter functionality are appalling, and include:

- Lack of capacity to allow households to have a feed-in tariff from rooftop solar
- Extremely poorly considered payment options including a the requirement for two unrelated cards for a single meter (meaning only on person who has to be physically holding each card to purchase has the capacity to pay), flexible payment options that only include telephone with credit card (when almost no-one has a credit card) or internet (when few people have access or literacy to pay online)
- “Friendly Credit” for financially illiterate households that result in many families having to face the prospect of either no food or no power every Monday morning.

Using price signals to encourage consumer responsibility is a reasonable approach, but must be a part of a much broader policy review to navigate remote Indigenous health and social inequity.

Question 4 - If the answer to question 3 is yes, should the definition of ‘poor payment history’ be similar to that defined in the national energy framework’s retailer-distributor credit support requirements? If no, how should it be defined?

It is apparent that energy insecurity in remote NT housing is without doubt the worst in the world. We are aware of impending research about to be published that leaves no doubt. It is therefore absolutely inappropriate to consider the entire circumstances of remote living people as if they were a “standard” consumer.

Question 5 - If the answer to question 3 is yes, is a credit support amount equal to the amount of the last statement of charges that triggered the request for credit support appropriate? If not, how should the credit amount be determined?

This question misses the point.

The entire economic framework of this problem needs to be re-addressed through a lens that incorporates the extreme indirect costs of energy poverty in remote Indigenous communities – i.e. health expenses (acute and chronic), health outcomes, impaired education outcomes and so on.

Engagement with the Department of Health, Department of Education, Department of Territory Families, Housing and Communities and the Department of Infrastructure, Planning and Logistics is required, and disclosure of how severe energy security is for these communities needs to be made at the commencement of consultation.

Pricing signal should only be used for these communities to encourage consumer efficiency. The price that Indigenous people pay for electricity should be no more than 10c kWh.

Rooftop solar to lift individual households out of energy poverty needs to be subsidised. Rooftop solar needs to be included as a standard infrastructure for all houses in recognition that it is health hardware and supports the goals outlined in the NIHG.

Question 6 - Are the matters (or terms) specified in clause 4.1.1 of the ERS Code, which are to be included, and approved by the Commission, in a Coordination Agreement, clear? Are they appropriate? Why?

Clear to whom? Without doubt, these terms will be impossible to translate to the consumers that we service .

What efforts are being made to communicate this across remote communities?

Question 8 - should a customer with an accumulation meter be able to transfer to a new retailer without having to replace their accumulation meter with an interval meter (in other words, should clauses 5.1.1 and 5.1.2 of the ERS Code be removed)? Why?

Given the Territory-wide failure to ensure not just an economic but also a social contract between provider and consumer, it is unjust to expect a consumer to pay for more infrastructure.

Prepaid “smartmeters” construct a relationship between energy utility and meter, not consumer. Thus, there is no requirement for a social contract between the energy utility and the consumer. Such a construct will not be amenable to develop a more sophisticated relationship between provider and consumer.

This is not the consumer’s fault.

Question 9 - should the requirement for an interval meter to switch retailers be amended to require a Type 1-4 meter as defined in the NER (NT)? Why?

Firstly, a type 1-4 meter is required FOR PUBLIC REPORTING AND ACCOUNTABILITY OF PROVIDER AND GOVERNMENT TO ADDRESS ENERGY POVERTY IN INDIGENOUS NT.

Secondly, more work needs to go into meter set-up. It is our understanding that the manufacturers of smartmeters could easily ensure that each meter is set up to receive rooftop solar and apply an immediate feed-in tariff.

Thirdly, PPM need to have greater diversity of payment mechanisms including direct purchase, direct debit from bank accounts, centrepay deductions and income management deductions.

Question 10 - Should the ERS Code be amended to remove the Retailer of Last Resort provisions (RoLR) so that a comprehensive RoLR scheme suitable for the Territory’s circumstances can be provided for in legislation? Why?

Yes. Remote indigenous communities suffer the most severe energy poverty in the world, and provision of services is logistically complex. They need protection more than any other electricity consumer.

Question 11 - Should the ERS Code allow for exceptions to clause 10.6 whereby a customer could provide their written explicit informed consent to retain a prepayment meter despite requiring life support equipment at their premises? Why?

Firstly, given the extreme rates of cardiovascular, rheumatic heart, infectious disease, metabolic and kidney disease in the NT, there needs to be a premise that **ALL** remote households have medically vulnerable occupants.

Secondly, with the extreme temperatures experienced in the NT, environmental threat is greater for remote living people than for most other Australians.

Thirdly, if an occupant requires medically essential equipment requiring electricity supply, moving to a post-paid system puts the entire household at high risk of debt. Indigenous people are used to prepaid power. If a single resident does not want to impact the rest of the household's financial processes, then this should be honoured.

Protections could include the real time monitoring and notification through alarms directed to local clinic and third party care givers when disconnections occur. Other options could include protected circuits or UPS equipment that could ensure that medically crucial equipment continues to be powered even where PPM disconnections occur

We are aware of deaths directly related to power disconnection in Central Australia.

This issue needs to be viewed through a broader lens, and rooftop solar is a significant opportunity to contribute to a safer more robust solution.

Question 12 - Should the ERS Code be amended to explicitly state that retailers and network providers must comply with their approved life support equipment procedures for outside major centres? Why?

Yes provided that their approved life support equipment procedures are appropriate and fit for purpose.

Question 13 - should the ERS Code include an obligation on retailers and network providers to regularly review their life support equipment procedures for outside major centres? Why?

Yes but not in isolation. Retailers cannot develop policy without reference to primary health care providers and stakeholders including tenants/consumers.

For the price of a few dollars a day to keep power on, the results can be terminal for some people. From a healthcare perspective, our society can afford to support people to the tune of many hundreds of thousands of dollars a year for public healthcare related expenses. For some people in the community reliant on electricity for vital healthcare needs, this should be prescribed by a doctor. The fact that houses are at baseline often severely structurally inadequate and overcrowded is not the community's fault or responsibility.

This is a complex space and ongoing engagement from providers and government is mandatory.

Question 15 - should the ERS Code be amended to include internal dispute resolution obligations on retailers and/or network providers that are similar to that in the NERL, amended for the Territory's circumstances? Why?

Yes.

Question 16 - should the ERS Code be amended to include an obligation on retailers to have an approved hardship policy for small customers? Why?

Yes and this hardship policy needs to clearly include procedures for PPM customers not just credit/account customers. Inherent within the policy needs to be processes and mechanisms that are accessible to all regardless of access to advocates and skills for the navigation of services.

Question 17 - If the answer to question 16 is yes, should the Commission consider and approve a retailer's proposed hardship policy based on alignment with the AER's customer hardship guideline, but with some flexibility to provide for the Territory's circumstances? Why?

The social, cultural, health, educational and economic baseline for remote living NT Australians is so far removed from nationally expected norms that the entire lens needs to be focused on lifting people out of extreme poverty.

Policy development can be cross-referenced to national policy but needs to be developed in the NT and locally in collaboration with stakeholders including knowledgeable agencies and community representatives. These providers are government controlled at present and while in the future that may no longer be the case they will still be undertaking Territory business. If this is the case then perhaps NTG Local Decision Making principles could be applied. The current system is not working and this is best recognised by remote and regional energy consumers not retailer employees.

Question 18 - Are there any issues or other matters not already identified in this Issues Paper the Commission should consider as part of the ERS Code review, and if so what should it consider and why?

The entire lens of this problem needs to be re-framed - from a singular focus on economic considerations to a framework that incorporates considerations of energy justice for remote living Indigenous Territorians.

Prepayment has for three decades worked to shift the burden of energy hardship away from the utility toward 1) remote living indigenous residents (whom are among the most disadvantaged in the country) themselves 2) Aboriginal community- controlled organisations seeking to mitigate energy hardship 3) the health sector i.e. health expenses (acute and chronic), health outcomes, impaired education outcomes and so on.

Recommendations:

1. The Utility Commission should make recommendations to the NTG that the most recent NCC Energy Efficiency Requirements be applied universally in the NT and that the NTG should work toward the universal implementation of NCC HLP 8. The UC should also consider the cost of energy consumption in relation to levels of income support for the purpose of reporting back to the Commonwealth. It would be interesting to compare rates of income support with rising tariffs and consumption rates over time.
2. For remote communities, until overcrowded housing, deficits in literacy and western education, and the most basic of infrastructure and function are addressed, the issue of energy provision needs to be viewed from a greater social and economic perspective than just consumer fiscal responsibility. Other economic implications directly attributed to energy insecurity such as healthcare associated costs like acute hospitalisation and aeromedical

retrieval, as well as opportunity costs such as impact on educational attainment of students living in energy poverty, need to be considered in the construct of how to address the vexing but real issue of energy pricing signals to consumers.

3. For remote communities, we recommend a price signal of 10c/KWh is sufficient to achieve improved consumer energy efficiency.
4. Rooftop solar coupled with prepaid smartmeter installation should be considered as a holistic and sustainable solution to remote community energy poverty.
5. Implementation of prepaid smartmeters should ensure a contract between provider and consumers, rather provider and meter.
6. Prepayment meters should be linked to dwelling address rather than meter ID number to allow any resident of the house (rather than just the holder of the card with the ID number on it) to credit the meter.
7. Payment methods for prepayment meters need to be designed around community consultation and take into account community circumstances including limited online access and limited access to credit cards and telephones.
8. Payment methods should allow for all consumers to automatically direct debit from welfare payments at regular intervals, and such direct debit should be negotiated with residents of households in more innovative ways.
9. In remote community dwellings, having a resident with significant health vulnerabilities is the norm not the exception. As such, policy and practice should ensure that all dwellings are protected from energy disconnection, without imposing “friendly credit”, when environmental conditions are dangerous to human health – during very hot and very cold periods.

Previous efforts to improve energy security for specific aspects of health-essential infrastructure in remote community houses have been successful. For instance, Bushlight (as referenced in this Issues Paper) developed a household User Interface that allowed residents to identify energy consumption and critical energy-dependent infrastructure that would never disconnect (a single light in the kitchen, and the refrigerator). Such innovative approaches to energy security in remote houses need to be re-engaged and further developed

We thank you for considering our submission.



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