

COVID-19 Electricity and Gas Network Relief Package

April 2020

Key Objectives of our Relief Package:

1. Tariff relief for small business customers impacted by COVID-19
2. Incentivising all retailers to offer affected customers payment plans
3. Ensure viability of small retail businesses
4. Support retail competition

The electricity and gas network businesses are focused on delivering support for customers enduring hardships as a result of COVID-19

1. Small Business Customers: full tariff relief

Network charges will be rebated for small business customers experiencing financial stress and who are mothballing as a result of COVID-19

- Relief will apply to all small business customers who:
 - Are mothballing over the period of 1 April to 30 June 2020 as a result of COVID-19
- Eligible small business customers are those that consume less than 40MWh or 400GJ per annum (based on 2019 consumption) and use less than 25% of historical average consumption for the period¹
- This will apply for customer network charges from 1 April to 30 June 2020
- Rebating of payments will be processed by networks in arrears of monthly invoicing, with **networks providing a rebate of the relevant network charges by the end of September 2020 for the period from 1 April to 30 June 2020** following receipt of supporting evidence by 1 September 2020

The electricity and gas network businesses will provide small business rebates for those who have ceased operations as a result of COVID-19

Note 1: The period is 1st April to 30th June 2020

2. Small Retailers: Residential rebates

For small retailers, network charges will be rebated for residential customers that go into default as a result of COVID-19

- Relief will apply to residential customers who:
 - Are existing customers with retailers (excluding noted large retailers) as at 1 April 2020
 - Are receiving relevant government benefits as from 1 April 2020 (and were not before 1 March 2020)
 - Are in payment default/arrears and this was not the case as at 1 March 2020
- Residential customers are those that are currently on a residential tariff
- This will apply for customer network charges from 1 April to 30 June 2020
- Rebating of payments will be processed by networks in arrears of monthly invoicing, with **networks providing a rebate of the relevant network charges by the end of September 2020 for the period from 1 April to 30 June 2020** following receipt of supporting evidence by 1 September 2020

The electricity and gas network businesses will not charge small retailers' residential customers in default as a result of COVID-19

3. Large Retailers: Payment Plan incentives

Network charges will be deferred for residential customers of large retailers¹ who go on payment plans or hardship arrangements put in place as a result of COVID-19

- Relief will apply to residential customers of large retailers who:
 - Are existing customers with large retailers as at 1 April 2020
 - Are receiving relevant government benefits as from 1 April 2020 (and were not before 1 March 2020)
 - Are on some form of payment plan/hardship arrangement and this was not the case as at 1 March 2020
- This will apply for customer network charges from 1 April to 30 June 2020
- Deferred payment will be processed by the networks in arrears of monthly invoicing, subject to the retailers providing supporting evidence. **The retailers will make all deferred payments under the Relief Package in full on or before 30 September 2020**

Note 1: Large retailers are AGL Energy, EnergyAustralia, ERM Power, Lumo Energy, Momentum Energy, Origin Energy, Red Energy and Simply Energy.

4. Other customer relief

We will commit to our customers that we will adhere to the principles set out by the AER

- We will support retailers in not disconnecting any residential or small business customers who may be in financial stress, without their agreement, before 31 July 2020 and potentially beyond
- We will support retailers in not disconnecting any large business customer, without their agreement, before 31 July 2020, and potentially beyond, if that customer is on-selling energy to residential or small business customers (for example, in residential parks or retirement villages)
- Disconnection and/or reconnection fees will not be applied for small businesses that have temporarily ceased operation
 - During this period of disconnection, small businesses will not pay the daily supply charges
- We will continue to prioritise the safety of customers who require life support equipment and continue to meet responsibilities to new life support customers
- We will continue to minimise the frequency and duration of planned outages for critical works, and provide as much notice as possible to assist households and businesses to manage during any outage

Summary

1. Electricity and gas networks fully support the need for our sector to play a role to mitigate the economic burden resulting from the COVID-19 crisis
2. This package provides direct support for affected small business customers impacted by COVID-19, as well assisting large and small retailers so they can support impacted households.
3. This package will have a real impact on the network sector and could impact the creditworthiness of some networks. It will be necessary to reconsider network expenditure to ensure that credit metrics and loan covenants are maintained.
4. The sector will work constructively with the AER, the AEMC and AEMO to assess the relative priorities of regulatory changes in these extraordinary times e.g. the significant expenditure required to implement Five Minute Settlement obligations