

TANGENTYERE
COUNCIL
SUBMISSION



Essential Services Commission of South Australia Prepayment Meter System Code Review

Submission



WORKING
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May 2021

1.Recommended Citation

Klerck, M. (2021). Essential Services Commission of South Australia Prepayment Meter System Code Review. Alice Springs, NT: Tangentyere Council Aboriginal Corporation.

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1.Executive Summary

Tangentyere Council Aboriginal Corporation (TCAC) welcomes the opportunity to respond to the Essential Services Commission of South Australia Prepayment Meter System Code Review.

TCAC has provided this Submission to the Essential Services Commission of South Australia to provide data on the issue of Prepayment Meter (PPM) Self-Disconnections. This data is from across the border in the Northern Territory and is offered as a cautionary tale in the potential impacts of PPMs in the remote APY Lands, Yalata, and Oak Valley.

2.Background

TCAC is an Aboriginal Community Controlled Organisation (ACCO) delivering human services for the benefit of Aboriginal people from Alice Springs, its Town Camps and Central Australia.

TCAC has 16 Town Camp Corporate Members, over 600 Individual Members and provides services to more than 10,000 people from a region that covers approximately 873,894 km².

The TCAC Board of Directors (BoD) is composed of the elected Presidents of the 11 Town Camp Associations and 5 Aboriginal Corporations.

The work undertaken by TCAC is aligned with action on the social, environmental, and behavioural determinants of health. Programs delivered throughout Central Australia include: (1) Tenancy Support; (2) Housing Maintenance Services; (3) Municipal and Essential Services; (4) Construction; (5) Child Protection and Wellbeing; (6) Children and Schooling; (7) Community Safety; (8) Alcohol and Other Drugs; (9) Tenancy Support; (10) Employment; (11) Aged and Disabled; (9) Chronic Disease Care Coordination; (10) Family Violence Prevention; and (11) Art and Culture.

Energy insecurity means that houses are rendered inadequate. It impacts food preparation and storage; the ability for people to wash; the capacity to wash clothes and bedding; the ability to modify internal ambient temperatures; access to communications; and access to recreational activities requiring electricity. Taken together or separately these issues directly impact health and wellbeing.

TCAC has been investigating the issue of energy insecurity as experienced by Jacana Energy PPM customers living on the Alice Springs Town Camps. The need for this work was identified by the Directors and Members of TCAC. TCAC has approached the Minister for Renewables, Energy and Essential Services and Jacana Energy in order that a mechanism be established so that PPM data can be accessed with the consent of customers.

Jacana Energy is the NT Government Business Enterprise that interfaces with energy consumers living in areas with regulated power networks in the NT. The regulated areas of the NT include urban areas and regional towns. Remote communities are outside of these regulated areas and are serviced by the PowerWater subsidiary Indigenous Essential Services.

TCAC has commenced the process of obtaining the consent of residents so that the data can be accessed and analysed. At present 170 households provided consent for the period April 2019 to 30 June 2020. TCAC awaits 15-minute interval data for these households.

The extent of energy insecurity as experienced by Jacana Energy PPM customers has already been established through consolidated data provided by Jacana Energy to the Utilities Commission. This data has also been provided to and published by TCAC.

3.Prepayment Meter (PPM) Self-Disconnections

Prepayment Meter (PPM) Self-Disconnections are an indicator of multidimensional disadvantage and poverty. Energy insecurity undermines outcomes aligned to housing and health. Jacana Energy provided TCAC with consolidated PPM Self-Disconnection data for Darwin, Katherine, Alice Springs, and Tennant Creek.

Self-Disconnection means and interruption to the supply of energy because the PPM system has no credit (including emergency or friendly credit) available.

TCAC acknowledges the transparency of Jacana Energy in providing data. Energy insecurity requires the input of key stakeholders including consumers; the Australian and NT Governments; Government Business Enterprises including Jacana Energy, PowerWater, Territory Generation and Indigenous Essential Services; Energy Regulators; Aboriginal Community Controlled Organisations; and NGOs.

The data includes: (1) Number of PPMs; (2) Number of PPMs that Self-Disconnected; (3) Total Number of PPM Self-Disconnections; and (4) Duration of Self-Disconnections. The data was for the following quarterly periods: (1) Jul-Sep 2019 (Q1); (2) Oct-Dec 2019 (Q2); (3) Jan-Mar 2020 (Q3); and (4) Apr-Jun 2020 (Q4). TCAC has added a quarterly mean (Q Mean) based on the average across quarterly periods.

The data is outlined in the following figures:

Figure 1: Number of PPMs	PPM				
2019/2020	Q1	Q2	Q3	Q4	Q Mean
Darwin	480	478	483	478	480
Katherine	624	623	618	607	618
Alice Springs	424	427	430	424	426
Tennant Creek	552	557	550	540	550
Total	2080	2085	2081	2049	2074

Nb- this data provided by Jacana Energy (Jacana Energy 2021, pers. comm., 20 February). The Q Mean is the average number of PPMs across Q1, Q2, Q3 and Q4. Digital PPMs can be reconfigured from prepayment to credit causing fluctuations between periods.

Figure 2: Individual PPMs Disconnecting	Individual PPMs Disconnecting				%
2019/2020	Q1	Q2	Q3	Q4	Q Mean
Darwin	240	353	359	304	65%
Katherine	393	526	513	449	76%
Alice Springs	327	410	413	402	91%
Tennant Creek	260	358	368	312	59%
Total	1220	1647	1653	1467	72%

Nb- this data provided by Jacana Energy (Jacana Energy 2021, pers. comm., 20 February). The % Q Mean is the % of PPMs that Self-Disconnected (>1 time) as an average across Q1, Q2, Q3 and Q4.

Figure 3: Total PPM Disconnections	Total Disconnections				
2019/2020	Q1	Q2	Q3	Q4	Q Mean
Darwin	1247	4569	4929	3506	3563
Katherine	1539	5431	5429	3495	3974
Alice Springs	2635	6463	7184	6981	5816
Tennant Creek	1641	5383	5542	3914	4120
Total	7062	21846	23084	17896	17472

Nb- this data provided by Jacana Energy (Jacana Energy 2021, pers. comm., 20 February). The Q Mean is the total number of Self-Disconnections as an average across Q1, Q2, Q3 and Q4. The Q Mean across all sites was 17,472 Self-Disconnections.

Figure 4: Average Duration Disconnection	Average Duration Disconnection Events (Minutes)				
2019/2020	Q1	Q2	Q3	Q4	Q Mean
Darwin	319	336	362	235	313
Katherine	396	460	385	330	393
Alice Springs	349	433	496	331	402
Tennant Creek	258	382	488	272	350

Nb- this data provided by Jacana Energy (Jacana Energy 2021, pers. comm., 20 February).

On average PPMs Self-Disconnected for between 313 and 402 minutes per site across the period.

Based on the values calculated for the quarterly mean for PPMs, PPMs Self-Disconnecting, Total PPM Self-Disconnections, and the Duration of Self-Disconnections in Alice Springs- 91% of PPMs Self-Disconnected on 13.6 occasions for an average incident duration of 6 hours and 42 minutes. This can be scaled up to ~55 occasions for a combined duration of ~15 days per annum. Alice Springs and its Town Camps share some similarities with the APY Lands with respect to climate.

TCAC predicts that a similar circumstance exists in the remote communities described here as the National Partnership Agreement for Remote Housing NT Footprint (NPA Footprint). The NPA Footprint is serviced by PowerWater subsidiary Indigenous Essential Services (IES) for the provision of essential services including power. The total number of NPA Footprint dwellings was 5,099 on the 1 July 2020. 4,815 of these households were IES PPM customers (1 July 2020). There is currently no visibility of the energy insecurity experienced by these households. TCAC predicts that this remote experience is consistent with PPM regions serviced by Jacana Energy including the Alice Springs Town Camps.

The southern region of the NPA Footprint including the Alice Springs Town Camps share some similarities with the APY Lands with respect to the potential for PPM related energy insecurity. There are however some differences including a history of user pays in the NT. Current the rate of energy consumption among Town Camp households where data is known is low compared to NT household averages listed by Jacana Energy as: (1) 1 bedroom- 13 kWh per annum; (2) 2 bedroom- 31 kWh; (3) 3 bedroom- 32 kWh; and (4) 4 bedroom- 34 kWh. It is our expectation that this pattern of low energy consumption will not be repeated in the APY Lands, Yalata, and Oak Valley where power has not been metered and charged to individuals. TCAC recommends that average household consumption should be calculated by the SA Government to consider the potential financial impact to households of user pays PPMs.

Based on our experience PPM disconnections in the APY Lands, Yalata and Oak Valley will be significant. This will impact on housing and health outcomes.

4. Emergency and Friendly Credit

PPMs employ mechanisms to try to reduce the impact of Self-Disconnections. TCAC considers that these mechanisms provide mixed outcomes. Friendly Credit has received criticism from our individual members, the Town Camp residents. It has been suggested that Friendly Credit has immediate positive impacts but that it leads to increased debt and longer Self Disconnections.

Friendly Credit means a defined period during which a PPM does not Self-Disconnect regardless of the meter balance.

Emergency Credit means a defined amount that the PPM can go into debt. Emergency Credit is offered to the customer when the meter has no credit available.

Jacana Energy is not currently subject to national regulations however it has outlined that it attempts to align wherever possible. The national regulations regarding PPM systems are outlined in Part 8 of the National Energy Retail Rules. The following clauses relate to Friendly and Emergency Credit: 129 (3) Friendly Credit- the prepayment meter system must not disconnect supply to the small customer as a result of a self-disconnection, otherwise than between the hours of 10am and 3pm on a weekday (Jacana Energy uses the period 9 am to 4 pm); 129 (6) Emergency Credit- the prepayment meter system must provide an amount of emergency credit not less than: (a) a level equivalent to the average cost of 3 days of electricity or gas supply (as applicable) to within \$1.00; or (b) such other amount as is approved by the Australian Energy Regulator (AER). from time to time in accordance with the requirements (if any) of these Rules. The Energy Emergency Credit provision for Jacana Energy PPMs is currently set at \$20.

TCAC notes that the Northern Territory Electricity Retail Supply Code does not contain regulations regarding PPM systems except for clause 10.6. This exception relates to Life Support Equipment.

5. Emergency Energy Brokerage

TCAC has been able to support PPM customers with the assistance of Jacana Energy, Centrecorp, Epuron and Australian Communities Foundation (ACF).

TCAC has established an Energy Brokerage Sundry Account with Jacana Energy for the transfer of funds to the PPMs of households in financial hardship. This innovative mechanism has allowed TCAC to deploy \$54,305 in financial assistance for the purchase of PPM electricity credit on 460 occasions for vulnerable households. This data is for the period 15 May to 3 March 2021 inclusive. This assistance is ongoing and could not have been provided without the logistical support of Jacana Energy and the funds provided by Centrecorp, Epuron and Australian Communities Foundation (ACF). Jacana Energy has processed the

460 transactions including the receipt of instructions from TCAC and the crediting of PPMs; Jacana Energy has maintained a spreadsheet of transactions and running totals for deductions and available balance. The documentation has been shared with TCAC.

Providing people financial assistance is an interim measure that is the equivalent of emergency relief. The middle term strategy is to consider improved mechanisms for the upfront (and cyclical) purchase of power that is linked to people's income. TCAC has continued to advocate for greater diversity of payment mechanisms. Admittedly Jacana Energy has expanded options, TCAC however considers that more work needs to be done.

The deployment of community controlled renewable power options in combination with improvements to household energy efficiency and education/energy consumption behaviour change are viable longer-term strategies to address the high levels of energy insecurity.

6. Building Knowledge and Evidence

TCAC has been working to address the issue of energy security on the Alice Springs Town Camps for several years, particularly since the installation of the Smart PPM.

TCAC has continued this work as it has been identified as an issue by the TCAC Board of Directors (BoD) and Corporate and Individual Members. TCAC has liaised with the Territory including with Ministers responsible for portfolios including Energy and Essential Services and Jacana Energy on numerous occasions. So far this has meant that we have been able to access de-identified data from Darwin, Katherine, Tennant Creek and Alice Springs. The Alice Springs data includes the Alice Springs Town Camps encompassing our Community Corporate and Individual Members. Jacana Energy has also developed a consent form in response to TCAC requests so that prepayment customers can provide consent for organisations like TCAC to access their prepayment data. So far, TCAC has received data from one Town Camp. This data tells a compelling story that requires action. Jacana Energy has also commissioned the development of an automated system to allow the more efficient and less time-consuming extraction of data. TCAC hopes that this will mean that it can receive data from all houses that have provided consent. The data that has been identified as having value includes: (1) kWh; (2) expenditure (\$); (3) number of self-disconnections; and (4) duration of self-disconnections.

TCAC plans to analyse the number and duration of involuntary self-disconnections for each 12-month period within the scope of consent provided. It is hoped that it will be possible to receive data with a daily interval period. This will allow observers to understand the pattern of disconnections relative to the day of the week, time of year and other factors including payment cycles. The goal is to demonstrate that the current circumstance is not contributing to good housing and health outcomes. This evidence will help TCAC and other agencies to advocate for better mechanisms across a range of systems and will support the development of business cases for community owned solar on the Town Camps and other localities.

TCAC has developed participant consent and information sheets; a research protocol and a human research ethics application to be submitted to the Central Australian Human Research Ethics Committee. These steps have been taken so that TCAC can build upon its current and historical work in this area. TCAC will seek to partner with other organisations to undertake this work and to interpret the findings of the research.

TCAC would like to acknowledge that to date the NT Government and Jacana Energy has supported TCAC to work toward its goal of building knowledge and evidence of the issue of energy insecurity as experienced by PPM customers.

7. Conclusion

The issue of energy insecurity is systemic in nature. Households without power are forced to live with inadequate housing.

Whilst acknowledging that more data is required, TCAC has already taken steps to consider the amelioration of this issue. This has included the establishment of an energy brokerage and sundry account by TCAC for the transfer of funds to the PPMs of Jacana Energy customers in financial hardship. This work has been supported by Centrecorp, Epuron and Philanthropists.

TCAC has advocated for the establishment of a mechanism where individuals can establish upfront Income Management/Centrepay Deductions to their PPMs to reduce the number and duration of self-disconnections. This work has been unsuccessful due to the nature of PPMs and the lack of an account type relationship between individual PPMs customers and the provider. The implementation of the Cashless Debit Card will also impact on the applicability of this proposal. Direct debits from individual bank accounts to PPMs is also not an option.

Previously TCAC made the following recommendations to the House of Representatives:

- That the issue of energy insecurity for vulnerable account and PPM customers be referred for Senate and/or House of Representatives Inquiry.
- That the NT Government invest in Jacana and PowerWater subsidiary Indigenous Essential Services to ensure that customers have improved payment options and access to data.
- That photovoltaic systems be installed to support vulnerable public housing tenants and households.
- That upgrades be made to ensure that household passive and mechanical cooling/heating is appropriate to maintain optimal internal ambient temperatures for good health.

These recommendations are applicable to the APY Lands, Yalata, and Oak Valley. From our perspective the implementation of user pays and PPMs in these regions needs to be reconsidered. The installation of roof top photovoltaic systems and batteries could be an alternative to the ongoing costs of operating diesel powered generators in these sites.