

altogether.

Draft Guidelines Submission

Submission on Draft Retail Exempt Selling Guideline and Draft
Network Exemptions Guideline (version 7)

28 April 2025


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1. Introduction

1.1 An introduction to the Altogether Group

Altogether Group is Australia's largest provider of embedded network utility services, delivering electricity, hot water, recycled water, potable water, and wastewater solutions to residential and mixed-use communities across Queensland and New South Wales. We operate at over 500 sites and serve more than 50,000 customers through integrated, sustainable infrastructure.

We work with developers, strata communities, manufactured home park operators and property owners to design and deliver utility solutions that are reliable, efficient, and tailored to the unique needs of each community. Our services are provided under a combination of authorised retailer operations and exemption arrangements, giving us a unique perspective on the opportunities—and challenges—within the current regulatory framework. Our dual role informs our position: we strongly support reform that improves customer protections, promotes long-term accountability, and ensures the exemption framework is used only in appropriate circumstances.

As a mission-led business, we are committed to responsible energy practices and strongly support reforms that enhance consumer protections, improve accountability, and ensure exemptions are applied only where appropriate.

1.2 Overview of the draft decision and its purpose

In March 2025, the Australian Energy Regulator (AER) released its Draft Decision on the Review of the Exemptions Framework for Embedded Networks. The review aim being to modernise the framework in response to the growing complexity and prevalence of embedded networks, particularly in residential and mixed-use settings.

Altogether Group supports the AER's proposed changes, which take important and practical steps to strengthen consumer protections and improve oversight of exempt entities. In the absence of broader embedded network reforms, enhancements to the exemption frameworks are essential to safeguard customer outcomes.

Overarching support of changes

We are resoundingly supportive of the changes including

1. closing future deemed exemption classes for residential and small business networks,
2. requiring updates to customer numbers and contact details, and
3. mandating price transparency will significantly improve visibility and regulatory oversight.

Amendments to the Retail Guideline, such as the introduction of practical family violence protections, stronger payment support for energy-only customers, and service provider continuity of supply obligations, will aid in the closure of those specific customer protection gaps and align embedded network customer experiences more closely with the broader retail market. These measures are necessary, administratively feasible for most, and will help preserve any legitimate benefits while addressing areas of risk and consumer harm.

Pricing data

Altogether Group is encouraged to read that the Baston Report and ACCC findings reinforce that, based on the available data, embedded network customers supplied by authorised retailers are not experiencing systemic price harm. While price outcomes vary, the evidence shows that a significant proportion of embedded network customers pay prices comparable to, or lower than, what they would face if directly connected to the grid. We emphasise that this analysis excludes commercial operators and individual exemption holders, who do not report pricing and customer data, and while some have made submissions during the review process, the majority have remained silent.

Third parties

Altogether Group commends the AER for strengthening the guidance regarding the role of third-party service providers in embedded networks. The clarification that exempt sellers remain fully responsible for ensuring their service providers comply with the conditions of their exemption is a critical improvement to the guidelines.

This addition appropriately reinforces that third-party service providers supporting exempt sellers, such as billing agents or customer service managers, must adhere to the same consumer protection obligations where relevant, even though they are not the energy seller themselves. Further, the AER's clear distinction between service providers acting as agents versus those who are effectively selling energy in their own right provides essential regulatory clarity and helps preserve the integrity of the exemption framework. By articulating these responsibilities, the AER reduces potential ambiguity, strengthened accountability across embedded networks, and enhanced consumer protections. Altogether Group strongly supports this inclusion.

Altogether Group enormously supports and commends the AER's initiatives and direction. However, we remain concerned that the Draft Decision does not address a fundamental issue: the ongoing ability of commercial operators holding multiple exemptions without authorisation. This loophole enables market-scale energy selling by non-retailers, undermines the intent of the exemption framework and when coupled with multiple utility infrastructure becomes the catalyst for the complexity in the industry that drives distrust and confusion. Consideration and enforcement are necessary under Section 115(1)(d) of the Retail Law enabling the AER to consider 'whether the amount of energy likely to be sold by the exempt seller is significant in relation to national energy markets.'

In 2016, Altogether Group was advised by the AER that an embedded network precinct involving approximately 1,500 customers was considered material. Yet by 2025, it is clear that market participants are increasingly interpreting the exemption framework appropriate, for even larger schemes, across multiple layers and precincts, without scrutiny or authorisation. This widening gap between regulatory intention and market practice is undermining customer protection and distorting the product available to customers. Immediate action to enforce authorisation requirements is essential to restore integrity and accountability within the embedded network sector.

Altogether Group continues to observe inconsistencies in the conduct of embedded network service providers, as detailed in Annexure 7. We acknowledge that addressing these issues may necessitate amendments to the National Electricity Law to enable the application of civil penalties for breaches of network exemption conditions. In parallel, we support that changes to the Retail Law would be required to introduce a broader suite of penalty options for non-compliance with the Retail Exempt Selling Guideline.

3 Response to the key proposed changes

Altogether Group supports the AER's objective to enhance transparency, consumer protection, and accountability across embedded networks. As a utility provider operating under both retail authorisation and as an agent on behalf of our clients operating under the exemption framework, Altogether Group is well positioned to observe the impacts of regulatory gaps and inconsistent standards.

3.1 Response to the key proposed changes to Retail Exempt Selling Guidelines

AER key proposed changes	Altogether Group response
Introduction of Family Violence Protections <ul style="list-style-type: none"> • Practical obligations for exempt sellers to support customers experiencing family violence. • Aligns, where possible, with protections already required of authorised retailers. 	<p>Altogether Group strongly supports the AER's proposal to introduce practical family violence protections for exempt customers. We recognise the critical need to provide energy services that are safe, confidential, and respectful for customers experiencing vulnerability. The introduction of a simplified yet meaningful obligation on exempt sellers is both appropriate and necessary.</p> <p>Altogether Group further recommends that these protections be reinforced through mandatory training requirements for exempt sellers, aligned with the AER's <i>Safe and Equal</i> policy advice. Training should also extend to strata managers, building committees, and service agents to ensure they can appropriately identify and escalate family violence concerns while maintaining strict confidentiality for affected individuals.</p> <p>In support of these outcomes, Altogether Group proposes the following:</p> <ol style="list-style-type: none"> 1. Restriction of access to customer data Access to usage data, billing accounts, and disconnection controls should be limited to utility managers who are independent, wherever possible, from internal community leadership structures. 2. Alignment with ombudsman schemes and Safe and Equal Guidelines Complaints or disputes involving family violence must be triaged and escalated outside of the community governance structure to ensure independent, confidential resolution in accordance with ombudsman scheme protocols and <i>Safe and Equal</i> guidelines.
Increased Visibility of Exempt Sellers <ul style="list-style-type: none"> • Exempt sellers must: <ul style="list-style-type: none"> ○ Provide updated contact details for their authorised representative. 	<p>We support mandatory updates of customer numbers and authorised representative details. These are minimal obligations that meaningfully improve the AER's ability to identify and monitor exempt sellers. However, we note that visibility alone does not prevent misuse of exemptions and reiterate our call for limits on exemption volume per entity and related entities.</p>

<ul style="list-style-type: none"> ○ Report customer numbers to the AER periodically. 	
<p>Price Transparency Obligations</p> <ul style="list-style-type: none"> • Sellers must publish current tariffs online (or in a publicly accessible location if no website exists). 	<p>Altogether Group strongly supports the proposed requirement for exempt sellers to publish tariffs, provide advance notice of tariff changes, and disclose any additional fees and charges applied either by the on-seller or their agent.</p> <p>We recommend that the AER adopt clearer wording such as, “if the exempt seller or their agent does not have a website, prices must be displayed in a communal area,” to avoid any interpretation that favours the exempt seller or their agent. This would ensure greater clarity and limit the circumstances in which an exempt seller or their agent would not be required to publish pricing information online.</p> <p>Transparency is fundamental to building and maintaining trust in energy markets, and these obligations are critical to reducing customer confusion and enabling basic comparisons, even within the constrained environment of embedded networks. Price transparency provides a minimum level of empowerment for customers living within embedded networks.</p> <p>Altogether Group already publishes all applicable rates and tariffs, additional fees and charges on our publicly available website. Our experience demonstrates that making rates available does not cause confusion, even when customers across different buildings receive different products. Instead, clear explanations of pricing and service inclusions are foundational to transparent and effective customer service.</p> <p>We categorically reject suggestions that publishing tariffs causes harm to customers. Arguments calling for the restriction of price disclosure on the basis of customer confusion are without merit and only serve to highlight broader concerns about certain service providers obscuring costs or charging for prohibited items. Maintaining visibility of pricing is essential to safeguarding customers and upholding the integrity of the embedded network sector.</p>
<p>Continued Application of Pricing Restrictions</p> <ul style="list-style-type: none"> • Condition 7 reaffirmed: exempt sellers must not charge more than the standing offer of the relevant local area retailer. 	<p>Altogether Group supports the continued enforcement of pricing restrictions aligned with the local area retailer’s standing offer. We encourage the AER to not only maintain but actively monitor compliance, particularly where time-of-use tariffs diverge from local or market standards.</p> <p>The introduction, particularly of the embedded network default market offer in New South Wales and comparison to local area</p>

retailer in other states, places appropriate pressure on exempt sellers to act ethically and innovatively, focusing on energy procurement strategies that control costs for customers and drive greater efficiency by reducing non-revenue generating expenditure that can distort customer pricing.

Altogether Group also recommends introducing, particularly for R2 classified exemptions, conditions that emphasise charges for the sale of energy be limited strictly to the customer's metered consumption, excluding common property costs. This distinction is especially important for tenants, who should not be liable for common property energy expenses through their individual electricity accounts.

3.2 Response to the key proposed changes to Network Exempt Guidelines

Altogether Group supports the AER's more assertive and explanatory approach in strengthening the exemption guidelines. We welcome the clear articulation of conditions placed on exempt network service providers. The network exemption conditions, including requirements relating to safety, access to retail competition, and pricing restrictions reinforce much-needed rigor and clarity to an increasingly complex embedded network landscape.

AER key proposed changes	Altogether Group response
Closure of Deemed Network Exemption Classes <ul style="list-style-type: none"> Deemed exemptions for new residential and small business networks will be closed. New operators must register and accept additional obligations. 	<p>Altogether Group has consistently argued that deemed exemptions have contributed to regulatory blind spots and a lack of accountability. We strongly support the closure of these classes for new developments and consider this a necessary step toward lifting operational standards.</p>
Continuity of Supply Notifications <ul style="list-style-type: none"> Exempt Network Service Providers (ENSP) must notify the AER and customers if: <ul style="list-style-type: none"> They are at risk of failure. Disconnection is likely to occur. 	<p>Altogether Group supports the AER's focus on strengthening notification requirements where ENSP face potential failure. We note that interim measures are already available to assist exempt sellers at risk of collapse.</p> <p>However, understand that without the extension of a Retailer of Last Resort (RoLR) mechanism to embedded networks, customers remain vulnerable if an exemption holder fails or exits the market. Altogether Group acknowledges that meaningful protection for embedded network customers in these circumstances will require broader reform of the National Energy Retail Law.</p>

4 Physical safety recommendations

Altogether Group recommends that the AER strengthen its guidance to embedded network exemption holders by clearly articulating their ongoing safety obligations. There remains a widespread misconception among owners and operators that exemption status reduces their duty of care alternatively they are largely unaware of their obligations regarding safety; however, embedded network operators must maintain full compliance with jurisdictional electrical safety standards, including fault rectification and emergency response requirements.

We recommend the AER develop a targeted communication or fact sheet, issued upon exemption registration and certification, summarising critical safety responsibilities. This should include obligations around infrastructure maintenance, emergency customer contact procedures, safe disconnection and reconnection practices, load management planning, and oversight of third-party service providers. Clear communication at the outset will help close existing gaps, mitigate risks to customers, and strengthen public confidence in the safe operation of embedded networks.

Altogether Group has observed a consistent lack of awareness among operators in several key areas, particularly regarding the maintenance of wiring, switchboards, protection systems, and customer connection points. This lack of understanding places networks and workers on them, at significant safety risk. Owners must actively monitor and plan for increasing load demand, especially with the introduction of technologies such as electric vehicle charging, which can strain internal infrastructure if not managed properly.

We have also identified a critical area for improvement in disconnection and reconnection practices. In many instances, network operators delegate these activities to contractors without ensuring appropriate training, adherence to notification procedures, or the application of safe work practices. This creates material risks of harm to customers, potential damage to appliances, and legal exposure for network owners. Additionally, there is growing concern around the pressure placed on property managers to perform disconnections and reconnections without the necessary procedural safeguards. Operators must understand that outsourcing these functions does not absolve them of their ultimate responsibilities under electrical safety laws.

Summary of physical safety aspects.

Safety Aspect	Common Misunderstanding	Risk
Electrical maintenance standards	Lower standards assumed	Fire, electrocution, outages
Fault response	Customers left to manage	Delays in emergencies
Notification of failure risk	Ignored or delayed	Mass outages, regulator breach
Load Management	Capacity not monitored	Overloads, fire risk
Disconnection Procedures	Improper delegations	Equipment damage, liability
Third-Party Oversight	Responsibility shifted	Compliance breaches
Customer Emergency Info	No clear contacts provided	Safety hazards, delayed response

5 Customer safety recommendations

Altogether Group recommends that the AER strengthen its guidance to retail exempt sellers to ensure greater awareness of the safety and vulnerability obligations attached to retail exemptions. While many exempt sellers correctly focus on billing and customer communications, there remains a concerning lack of understanding that the exemption holder must also maintain safe, reliable energy supply, manage disconnections responsibly, and protect vulnerable customers, including those experiencing hardship or requiring life support.

Key areas requiring further emphasis include safe disconnection and reconnection practices, clear procedures for life support customers and emergency contact information specific to energy issues. Altogether Group recommends that the AER issue targeted resources at the point of exemption registration, clearly outlining these retail-specific safety obligations. Improving exempt sellers' understanding and management of these responsibilities will help close critical protection gaps.

Altogether Group further encourages the AER to prioritise compliance monitoring and enforcement in relation to these core safety and vulnerability obligations. Ensuring that exempt sellers meet their responsibilities around safe supply, hardship management, life support protections, and emergency response will be critical to maintaining customer trust and mitigating harm within embedded networks. Embedding these requirements clearly into exemption registration and reporting processes and actively monitoring adherence will support a more consistent, safe, and fair experience for all embedded network customers.

Summary of customer safety aspects.

Safety Aspect	Common Misunderstanding	Risk to Customers
Safe Supply Obligation	Think only billing matters	Supply failures
Safe Disconnection Practices	Treat energy like tenancy services	Wrongful disconnection
Hardship/Vulnerability Management	Ignore signs of hardship	Health and welfare impacts
Energy-Only Disconnection Rules	Cut bundled utilities incorrectly	Loss of critical services
Life Support Responsibilities	Unaware of obligations	Severe health outcomes
Emergency Contact Requirements	No clear energy emergency pathways	Delayed response during emergencies
Continuity of Supply Planning	No exit strategy in place	Supply loss without notice

6 Conclusion

Altogether Group welcomes the AER's Draft Decision as a meaningful step towards strengthening transparency, consumer protection, and accountability within embedded networks. We support the AER's practical, risk-based enhancements to the Retail and Network Exemption Guidelines, including the introduction of new consumer safeguards, improved visibility of exempt sellers, and the clearer articulation of responsibilities for third-party providers.

We particularly commend the AER's attention to family violence protections and transparency requirements, which are essential to improving customer trust and ensuring embedded network customers receive protections comparable to those in the broader energy market. Similarly, the closure of deemed exemption classes for new developments and strengthened continuity of supply obligations will reinforce public confidence in the responsible operation of embedded networks.

However, we reiterate that material risks remain especially regarding the ongoing misuse of exemption frameworks by commercial operators and the absence of a Retailer of Last Resort mechanism for embedded network customers. Further action is required to prevent distortion of the energy market and to address safety, financial, and operational vulnerabilities for both customers and embedded network owners.

7 Annexure

1. Authorised retailers registering multiple network exemptions and failing to report customers and activity to the AER.
2. Authorised retailers advertising their licence to customers and selling energy on behalf of themselves, without updating the retail or network exemption and failing to report customers or activity to the AER.
3. Subsidiary companies of authorised retailers, which are not an authorised retailer and advertising to customers that they are "registered retailers", registering multiple retail and network exemptions and failing to report customers or activity to the AER
4. Unauthorised commercial companies registering multiple retail and network exemptions and failing to report customers or activity to the AER.
5. Unauthorised commercial companies registering multiple retail and network exemptions under multiple legal entities while still controlled by an overarching commercial entity and failing to report customers or activity to the AER.

Altogether Group remains committed to supporting reforms that close regulatory gaps, protect vulnerable customers, and strengthen the integrity of embedded networks as a viable, sustainable solution. We thank the AER for the opportunity to contribute to this important review and look forward to continued engagement as the final guidelines are developed.

Yours sincerely



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