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Submission delivered to: AERexemptions@aer.gov.au

To:

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Review of the AER Exemptions Framework for Embedded Networks

Introduction

Energy Intelligence thanks the AER for the opportunity to provide feedback on the *Review of the Exemptions Framework for Embedded Networks – Part B*. We appreciate the clarity and depth of the draft decisions and supporting documentation and commend the AER's continued efforts to enhance consumer protections, promote transparency, and ensure the framework remains fit-for-purpose in a changing energy environment.

As an accredited Embedded Network Manager (ENM), and an organisation working extensively across brownfield retrofits, renewable integration, and energy advisory services, Energy Intelligence welcomes the opportunity to provide practical feedback grounded in our operational experience.

Our submission follows the structure of the draft guidelines and includes additional suggestions for future consideration.

General Position

Energy Intelligence supports the AER's intention to modernise and clarify both the Network and Retail Exemption Guidelines. We welcome the introduction of family violence protections. While residential customers represent a smaller portion of our portfolio, we already offer support measures in line with best practice under our broader customer care policies.

Retail Exempt Selling Guideline

Family Violence Protections

We fully support the AER's proposal to introduce family violence protections. In Victoria, where similar obligations apply under the Energy Retail Code of Practice, implementation has been smooth and well-received. With the AER providing supporting resources and templates, we believe these measures are both necessary and practical for exempt sellers and significantly enhance customer protections.

Closure of D1 and D2 Classes

We support the AER's decision to close the D1 and D2 exemption classes. In our experience, these classes have created confusion, particularly due to their absence from the public register. Removing these classes will simplify the exemption process and promote greater transparency.

Website Pricing and Information Disclosure

We support the requirement for exempt sellers to publish tariffs and policies on their websites, but believe this obligation should apply only to **residential customers**.

Non-residential customers usually operate under commercial lease agreements and are better equipped to negotiate or shop for alternate supply options. Disclosure typically occurs at lease stage, and relationships are more transparent when landlords manage the embedded network directly.

Requiring publication of tariffs and Local Area Retailer (LAR) comparisons could expose sensitive commercial arrangements. As a compromise, we suggest the AER consider **requiring tariff comparisons by LNSP boundary** instead. This would maintain transparency for tenants while protecting the commercial integrity of multi-site operators.

Draft Guideline Comments – Specific Pages

Pg 12 – Retrofit and Registrable Exemptions

Currently, when selecting "retrofit" on the AER portal, an application reference number is required. We would like to understand if an alternative mechanism will be introduced to support registrable exemptions in retrofit scenarios.

Additionally, we have noted that this process is not mirrored in the Network Exemption Guideline. Does this suggest that retail exemptions for retrofits may be treated as registrable, while network exemptions would still require individual applications and 100% customer consent?

Clarification on this matter would help streamline our processes and ensure consistency across the exemption application landscape.

Pg 13 – Retrofit Expansion of Existing EN

In cases where an existing site operating under an Individual Exemption undergoes an expansion into greenfield areas (with no existing tenants), there is uncertainty regarding whether a new Individual Exemption or a Registrable Exemption is required. To assist with future planning and ensure compliance, we seek clarification on whether the AER would prefer proponents to:

- + Request a scope update to the existing Individual Exemption for the expansion area?
- + Lodge a new Registrable Exemption specifically for the expansion area?

Clear guidance on this matter would help streamline the process and avoid potential compliance challenges during project development.

Network Exemptions Guideline

On-Site Renewable Integration

We are seeing growing interest from landlords and asset owners in combining embedded networks with on-site solar, battery storage, and electric vehicle (EV) infrastructure. This trend underscores the need for a robust and transparent metering framework that ensures all generation, storage, and consumption is measured in accordance with National Electricity Market (NEM) requirements—*particularly for larger systems*, where the scale and complexity of energy flows demand a higher level of accountability.

We are strongly of the view that *all services*—whether related to supply, generation, or auxiliary infrastructure—must be metered. This is essential for auditing purposes, accurate billing, and ensuring there is no unmetered consumption, particularly in cases of tenant de-fits, temporary shutdowns, or exit events. In our experience, many stakeholders find this area grey, with inconsistent interpretations of what must be metered, especially for assets like batteries and EV chargers.

We recommend the AER include specific guidance within the exemption framework on metering requirements for all energy services—especially those involving large-scale or co-located renewable assets. Clear and nationally consistent expectations would reduce ambiguity, support compliance, and promote investment in future-proof, integrated infrastructure.

Continuity of Supply / Retailer of Last Resort (ROLR)

We welcome the AER's acknowledgment that embedded network customers do not currently have access to RoLR protections.

While customer risk notifications are a good step, they do not resolve the underlying continuity-of-supply gap. As ENMs, we are required under AEMO accreditation to maintain key site data, including:

- + Single Line Diagrams (SLDs)
- + Meter Asset Records
- + NMI allocations

These are vital in facilitating continuity of supply during transitions or failures.

We believe that ENMs play a crucial role, even for sites under the mandatory threshold. Encouraging **voluntary ENM appointment** could significantly improve data quality and transition readiness.

We strongly advocate for clearer AER guidance on continuity of supply, ENM responsibilities, and voluntary ENM appointment to address current gaps.

Single Line Diagrams (SLDs) and Cost Considerations

We support the requirement for accurate and up-to-date SLDs. However, detailed diagrams (including tenancy metering) can be costly, particularly where detailed on-site audits are needed.

While high-level SLDs are achievable earlier in the process, **'As Built' SLDs should be required post-commissioning**—when tenant infrastructure is finalised and documented. This balances cost with accuracy and aligns with existing ENM responsibilities.

Life Support Customers

When a life support customer is registered at the parent NMI level, their data is not always transmitted to the LNSP due to technical limitations (e.g., only one contact per NMI). These customers may not receive outage notices.

Our workaround involves manually registering multiple contacts in the LNSP portal, but this issue should be addressed in the guideline to ensure systemic resolution and encourage proactive ENSP action.

Draft Guideline Comments – Specific Pages

Pg 24 / Retail Pg 10 – Registration Effective Date

We seek clarification on the timeframe between the submission of an exemption and its publication on the AER public register. In our experience, there may be a delay between when exemptions appear in the portal and when they are made publicly available on the register. This lag can create uncertainty for exempt sellers, embedded network managers, and customers attempting to verify exemption status. Introducing a defined timeframe or service level agreement for publication would improve transparency, support compliance monitoring, and help prevent customer confusion or disputes relating to exempt site status.

Pg 25 / Retail Pg 14 – Ownership Change (20 Business Days Notice)

Ownership transfers are often confidential until settlement. Post-settlement, it can take time to confirm new contact details and update accounts. Given no operational or supply disruption typically occurs, we suggest a **post-settlement grace period** be allowed for ownership change notifications.

Pg 56 – Disconnection for Non-Payment

Clarification is needed regarding ENSP responsibilities when an **on-market retailer requests disconnection** due to non-payment. The guideline should clearly set out obligations in these scenarios, particularly where the retailer has fulfilled its regulatory steps.

Pg 59 – Annual Reporting

We support this reporting obligation and suggest aligning the requirement with the existing Victorian Essential Services Commission (ESC) framework for consistency across jurisdictions. Many exempt sellers, including us, have already configured our systems to comply with the ESC's reporting standards, which would streamline implementation and reduce duplication of effort.

The ESC reporting framework captures key details such as the exempt person's name and ABN, site address, exemption category (e.g. R1, R5), parent and child NMI relationships, and key customer data points. This structure ensures accurate and up-to-date records are maintained for regulatory oversight, concessions eligibility, and customer protections. Aligning with this framework would help meet the AER's intent while leveraging an established and functioning model, and ensuring a proportionate and privacy-conscious approach to data retention.

Pg 71 – Customer Record Retention

We request clarification on how long customer names and other personal identifiers must be retained, particularly for closed accounts and in the context of Consumer Data Right (CDR) obligations.

We raise this because we have encountered instances where former customers have moved out and subsequently requested that their personal information be removed from our systems. These requests are increasing as customers become more conscious of data privacy and their rights under privacy legislation. However, it remains unclear whether obligations under the Retail and Network Exemption Guidelines, or potential future CDR compliance requirements, necessitate indefinite retention of this information.

We therefore seek guidance on whether personal identifiers—such as customer names—can be lawfully removed once all financial, contractual, and regulatory obligations have expired, and there is no longer a legal basis for retaining the data. Clear direction would assist exempt sellers in managing their privacy obligations appropriately while aligning with customers' expectations for data minimisation.

Retailer Engagement Challenges During EN Retrofits

As part of our embedded network (EN) retrofit process, we adopt a structured and pragmatic engagement strategy with both tenants and their authorised retailers. This reflects the extended and dynamic nature of consent programs, during which tenancy arrangements and retailer affiliations may change.

Based on our extensive experience, authorised retailers are generally not prepared to engage in detailed discussions about contract continuation or EN participation without a confirmed go-live date. Their operational processes

typically require certainty around installation timelines and the ability to request an on-market NMI. In retrofit projects, it can be 6–12 months before the embedded network becomes operational. As such, meaningful engagement with retailers typically occurs closer to that time, once all regulatory and procedural prerequisites are in place.

We therefore strongly support the AER's decision to publish a list of authorised retailers offering embedded network services. This initiative improves transparency, supports informed customer choice, and shifts some accountability back to retailers. It also helps address a long-standing issue in the market: while customers may technically have access to retail competition, practical access is often constrained. This change is a step forward in supporting customer rights and project feasibility.

Pg 79 / Retail Pg 59 – Retail Contestability and Wiring Out

Wiring-out requirements vary across jurisdictions and are often difficult to plan for in the early stages of a project. While most LNSPs do not currently impose restrictions, a small number—such as Energex, Ergon, and Endeavour—have specific wiring-out expectations. These requirements are not always publicly documented, and LNSP engagement often occurs only after the AER has approved an exemption. This limits the opportunity to align designs early and adds complexity to project scoping.

This variability, coupled with inconsistent and often delayed communication from some LNSPs, presents challenges for developers and proponents. We can provide examples of projects where, despite obtaining AER exemption approval and making multiple requests for guidance, there were significant delays—sometimes months—in receiving design input from the DNSP. These delays materially impact project timelines and increase the risk of non-compliance, not due to any lack of diligence from the proponent, but due to a lack of transparency, coordinated processes, and clear accountability between stakeholders.

These challenges illustrate why embedded network retrofitting is a highly specialised field, and why few parties are equipped to deliver compliant, end-to-end solutions. Effective retrofitting requires a strong understanding of the regulatory environment, technical infrastructure, and the specific operational expectations of each LNSP. In our experience, only a small number of providers have the capacity and experience to manage these nuances across multiple jurisdictions.

Importantly, we do not view this as a widespread issue across all LNSPs. However, the inconsistencies that do exist highlight the need for clearer national guidance on what constitutes a wiring-out capable design, and on the expected engagement processes and timeframes from LNSPs. At present, our ability to maintain an up-to-date understanding of requirements is largely due to our ongoing involvement in retrofit projects and our strong stakeholder relationships within these networks.

We strongly encourage the AER to acknowledge these practical implementation challenges and consider establishing guidance that supports earlier and more consistent engagement between LNSPs and exempt network proponents.

Authorised Retailers Offering Embedded Network Services

We commend the AER's decision to publish a list of **authorised retailers** servicing embedded networks. This helps shift some accountability back to retailers and addresses the long-standing issue that, while customers may technically have retail choice, practical access is limited. This change will support increased competition and transparency.

Additional Suggestions for AER Consideration

+ **Recognition of Best-Practice Operators**

Consider a self-certification or audit-based model for recognising compliant and proactive embedded network providers.

+ **Compliance Quick Reference**

A summary table or checklist outlining reporting and compliance requirements by exemption type would improve clarity and training.

Conclusion

Energy Intelligence appreciates the opportunity to contribute to this important review. We support the AER's reform direction and remain committed to assisting with implementation. Please don't hesitate to contact us for clarification or further information.

Yours sincerely,

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ABOUT ENERGY INTELLIGENCE

Energy Intelligence is a prominent energy consultancy specialising in advisory services within the embedded sector. Our focus lies in delivering tailored embedded network solutions for clients who own diverse sites incorporating both traditional and renewable energy sources across multiple states. We uphold rigorous compliance standards that exceed jurisdictional requirements, reflecting our dedication to best practices. This commitment is evident in the exemplary management of the embedded networks under our care.

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