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15 June 2026

Rebecca Holland General Manager
(a/g) – Compliance, Enforcement and Surveillance
Australian Energy Regulator
Submission via email: AERexemptions@aer.gov.au

Dear Rebecca,

RE: Exemption Guidelines Review Consultation Paper

Enel X appreciates the opportunity to provide feedback on the AER's Exemption Guidelines Review Consultation Paper. The AER's Exemption Guidelines are an important part of the regulatory framework underpinning Enel X's service provision to customers.

Enel X works with commercial and industrial (C&I) energy users to provide the largest virtual power plant (VPP) registered in the National Electricity Market (NEM). We aggregate flexible demand response to offer energy and ancillary services, wholesale demand response (WDR) and reserve contracts. Enel X pioneered the application of the embedded network framework to C&I sites. We are deeply committed to promoting competitive market arrangements for resources and has invested considerable resources in building a portfolio to support reliability and security in the NEM.

The Unlocking CER Benefits through Flexible Trading Rule (FTA Rule) allows another pathway to manage customer resources at a single site through secondary settlement points (SSPs). Enel X supports the AER's proposed changes, which would:

- amend the guidelines to clarify how the new FTA Rule interacts with the AER's exemption frameworks
- remove the requirement for exempt sellers to obtain an individual exemption if they plan to on-sell energy to a retrofitted commercial embedded network
- remove the requirement for prospective exempt network service providers to obtain AER approval to register a network exemption if they plan to operate or control a retrofitted commercial embedded network.

Enel X acknowledges that the retrofitted commercial embedded network arrangements can be simplified, the AER's approach provides a proportionate and pragmatic regulatory approach.

We would be happy to further discuss our submission with the Commission. If you have any questions or would like to discuss this submission, please contact me.

Kind regards,

Carl Hutchinson

[redacted]

Managing Director, Enel X Australia – New Zealand

[redacted]

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Attachment 1: Enel X response to AER consultation questions

Question	Section 3.1	Enel X response
Question 1	Are there any aspects to the proposed Network Guideline amendments, to reflect the flexible trading rule changes, which raise concerns for stakeholders? If so, please provide details, including any additional changes required.	No. Enel X considers the AER's proposed changes reflect the FTA Rule requirements.
Question 2	Do stakeholders agree that non-authorised financially responsible market participants (FRMPs) selling energy at secondary settlement points within the premises of large customers can be adequately captured by the existing registrable retail exemption class R5 (including conditions)? If not, what conditions should apply in these scenarios?	Enel X agrees that class R5 of the AER's retail exempt selling guideline adequately captures secondary settlement points for large customers.
Question 3	Do stakeholders foresee any scenarios where a non-authorised FRMP would engage a small customer via a secondary settlement point arrangement (for example, non-traditional service offerings)? If so, please provide examples.	Enel X understands the AEMC's Final Rule requires the same FRMP to be responsible for the connection point and any SSPs. If a non-authorised FRMP holds a valid retail selling exemption, theoretically this party could provide services to the small customer. Enel X has not identified any examples.
Question 4	Do stakeholders support the AER's proposal to remove the existing retrofit application requirement and develop a new registrable retail exemption class for commercial retrofits?	Yes. Enel X support the Guideline replacing the existing application process with a registrable exemption class for commercial embedded network retrofits and including a new registrable retail exemption class for commercial retrofits. Enel X assume that drafting changes will reflect the role of the 'non authorised FRMP'. Overall, Enel X considers this a proactive step that will reduce transactional costs and recognises that lighter regulatory approach is appropriate.
Question 5	Do stakeholders consider the conditions the AER proposes to attach to a retrofit exemption class appropriate?	Yes.

Question	Section 3.1	Enel X response
Question 6	Do stakeholders support removing the requirement for prospective exempt network service providers to obtain AER approval for commercial retrofits and replacing it with a self-certification and registration option?	Yes. Enel X support the AER replacing existing requirements for prospective exempts NSPs to self-certify as a part of the exemption registration process. Overall, Enel X considers this a proactive step that will reduce transactional costs and recognises that lighter regulatory approach is appropriate.
Question 7	Do stakeholders support the AER developing marketing and consent campaign materials with minimum standardised statements to be used by parties under the self-certification and registration option? If yes, what content and consumer information do stakeholders consider should be prioritised for inclusion. If not, please provide reasons why.	Yes. Enel X supports the AER developing marketing and consent campaign materials in consultation with market participants. Enel X notes that the Guideline would require parties to provide these materials which will not be subject to a Rules consultation process. Enel X agrees that it will be more efficient for the materials to be developed without the Rules consultation procedure applying, however the Guideline itself should include the key requirements the materials must include to ensure stakeholders are clear on the materials purpose and not subject to arbitrary changes.