

Submission to the Australian Energy Regulator

Exemption Guidelines Review Consultation Paper (May 2026)

Energy On Pty Ltd

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Exemption Guidelines Review 2026 – Consultation Paper (May 2026)

Energy On welcomes the opportunity to provide a submission on the AER's Exemption Guidelines Review – Consultation Paper (May 2026).

Energy On currently operates as an Exempt Retailer, Embedded Network Operator (ENO), and Embedded Network Manager (ENM), and is an Authorised Retailer with the Australian Energy Regulator (AER). We install, operate and maintain embedded network infrastructure including solar PV and smart metering across residential, commercial and industrial sites in Victoria, Queensland, New South Wales and South Australia. We manage exemption registrations, compliance, billing and customer service on behalf of network owners across a diverse portfolio of sites.

We support the AER's intent to align the guidelines with the AEMC's flexible trading reforms and to reduce unnecessary regulatory burden for commercial embedded network retrofits. We offer the following responses to the consultation questions, informed by our direct operational experience.

Part A: Reflecting Flexible Trading in the Exemptions Framework

Question 1 – Network Guideline Amendments

Energy On supports the proposed amendments to the Network Guideline to reflect the new definitions of 'distribution system', 'single user network' and 'excluded metering installation', and have no concerns with the proposed changes.

Question 2 – R5 Exemption Class for Large Customers at Secondary Settlement Points

Energy On agrees that non-authorised 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.

We consider that the conditions attached to class R5 provide appropriate consumer protections for large customers, who generally possess greater commercial sophistication and bargaining power. Creating a separate exemption class for this scenario would add regulatory complexity without a corresponding benefit to consumers or market participants.

Question 3 – Small Customer Secondary Settlement Point Scenarios

Energy On considers it unlikely, at least in the near term, that non-authorised FRMPs would engage small customers via secondary settlement point arrangements outside of the standard retail framework.

Part B: Reducing Regulatory Burden for Commercial Embedded Network Retrofits

Question 4 — Removal of Individual Exemption Requirement for Commercial Retrofits

Energy On strongly supports the AER's proposal to remove the existing requirement to submit a retrofit application and to develop a new registrable retail exemption class for commercial retrofits.

Energy On has direct, recent experience navigating the current multi-layered approval process. Our recent retrofit application required extensive documentation, multiple rounds of correspondence with various stakeholders and considerable internal resource allocation.

While we appreciate the consumer protection rationale underpinning the current process, our experience aligns with the AER's own observation that detailed assessment, public consultation and a multi-layered approval pathway can result in a disproportionately heavy administrative burden when weighed against the risk of consumer harm at commercial sites.

A registrable exemption class would significantly reduce end-to-end processing time, lower compliance costs for applicants, and free AER resources for higher-risk matters without diminishing customer protections.

We also note that the current process can delay the delivery of renewable energy and pricing benefits to commercial tenants. Energy On typically prefers to combine embedded network retrofits with solar PV installations, and regulatory delays can impact project timelines and the commercial viability of these investments.

Question 5 — Proposed Conditions for the Retrofit Exemption Class

Energy On considers the proposed conditions appropriate.

Question 6 — Self-Certification and Registration for Network Exemptions

Energy On supports the proposal to remove the requirement for prospective exempt network service providers to obtain AER approval for commercial retrofits and replace it with a self-certification and registration option.

Question 7 — AER Marketing and Consent Campaign Template Materials

Energy On supports the AER developing marketing and consent campaign materials with minimum standardised statements for use by parties under the self-certification and registration option.

Based on our experience, we recommend the following content be prioritised for inclusion in the template:

- Retail choice — A clear, plain-English explanation that tenants retain the right to contract with an authorised retailer of their choice, including within an embedded network.
- Offer matching — An explanation of the exempt seller's obligation to match electricity offers available to non-consenting tenants.
- Duplicated network charges — Information about the obligation to rectify duplicated charges for tenants with energy-only contracts.
- Dispute resolution — Contact details for the relevant energy ombudsman scheme and the tenant's right to lodge a complaint.

- AER factsheet — Reference to, and inclusion of, the AER's existing customer factsheet (How to access an authorised retailer of your choice if you live in an embedded network).
- No obligation to consent — A clear statement that consent is voluntary and that tenants will not be disadvantaged for declining.

We also recommend the AER allow exempt network service providers to add site-specific information (e.g., details of proposed solar installations or pricing structures) to the standardised materials, provided such additions do not dilute or contradict the AER's key messages. This approach would balance consistency with the practical need to tailor campaign materials to the specific circumstances and benefits of each site.

Concluding Remarks

Energy On thanks the AER for undertaking this targeted review and for its commitment to reducing regulatory burden while maintaining appropriate consumer protections. The proposals in this consultation paper address real challenges faced by embedded network operators and their clients, particularly in the commercial retrofit sector. We also consider that these reforms will help accelerate the uptake of renewable energy solutions in commercial properties.

We welcome the opportunity to discuss any aspect of this submission with the AER Exemptions Team and would be pleased to share further details of our operational experience to support the development of the draft guidelines.

Yours sincerely,

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