15 June 2026

AER Exemptions
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601
AERexemptions@aer.gov.au

Re: Submission to Exemption Guidelines Review Consultation Paper May 2026

Dear AER Exemptions Team,

Solarbank Australia Pty Ltd (**Solarbank**) welcomes the opportunity to provide a submission to the Australian Energy Regulator's (AER) Exemption Guidelines Review Consultation Paper, published May 2026.

Solarbank is a Sydney-based solar and battery installation company serving residential and commercial customers in Greater Sydney. Eastern Electric Pty Ltd, a wholly-owned subsidiary of Solarbank Australia, is our emerging commercial vertical operation under an Energy-as-a-Service (EaaS) model, with prospective engagements involving commercial embedded network installations including solar generation, battery storage, and energy on-selling to commercial customers at sites.

We operate in both the network and retail exemption frameworks, as prospective exempt network service providers and as exempt sellers and the proposed changes to both guidelines are directly relevant to our commercial pipeline and to the customers we serve.Furthermore, Eastern Electric Pty Ltd, a wholly owned subsidiary of Solarbank Australia, has submitted the retail authorisation application in April 2026 to the AER.

We broadly support the two objectives of this review: achieving regulatory alignment with the AEMC's flexible trading reforms, and reducing unnecessary regulatory burden for commercial embedded network retrofits. Our comments below address each of the seven consultation questions.

Kind regards

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Question 1 Proposed Network Guideline amendments for flexible trading

Solarbank supports the AER's proposed amendments to update the Network Guideline to reflect the new definition of 'distribution system' and to clarify that secondary settlement point arrangements, including those involving Small Resource Aggregators and third-party FRMPs, do not, on their own, require a network exemption.

We note in particular the AER's proposed clarification that existing exempt network service providers remain responsible for meeting their exemption conditions even where customers within their network establish secondary settlement points. This is a sensible and necessary boundary and it ensures the addition of secondary settlement points does not create ambiguity about ongoing compliance obligations. It protects the integrity of existing registered exemptions without placing additional burden on the exempt network operator.

Question 2 R5 exemption class for large customers at secondary settlement points

Solarbank agrees that the existing registrable retail exemption class R5 (Persons selling metered energy to large customers) is an appropriate and sufficient pathway for non-authorised FRMPs selling energy at secondary settlement points within the premises of large customers. We do not consider that creating a new exemption class is necessary.

The conditions attached to R5 are appropriately calibrated for large customers, who have greater bargaining power and a reduced need for the residential and small customer protections that apply to other classes. This is consistent with the treatment of large customers under the National Energy Retail Law more broadly.

Question 3 Non-authorised FRMPs engaging small customers via secondary settlement points

We note the AER's view that small customer secondary settlement point arrangements will, under the amended National Electricity Rules, always involve an authorised retailer as FRMP for the primary connection point and any secondary settlement points, such that the Retail Guideline would not apply.

We request that this position be confirmed clearly in the updated Retail Guideline. As commercial embedded networks increasingly involve a mix of large and small customers and as the threshold between large and small customers (100 MWh per annum) means some commercial customers will fall below the large customer definition, operators and service providers benefit from explicit guidance on the applicable regulatory pathway for each customer category.

Question 4 New registrable retail exemption class for commercial retrofits

Solarbank strongly supports the AER's proposal to replace the individual retail exemption application requirement for commercial retrofits with a new registrable retail exemption class.

The current individual exemption pathway which requires a detailed application, mandatory public consultation of at least 20 business days, and AER assessment before approval represents a significant and disproportionate administrative burden for commercial retrofit supporters. This is particularly the case given the AER's own observation that commercial retrofit applications consistently achieve high consent thresholds, rarely generate public submissions, and present a lower consumer risk profile than residential retrofits.

Moving commercial retrofits to a registrable class with standardised conditions, self-registration, and publication on the AER public register, in our view, maintains transparency and consumer protection while removing unnecessary process. We consider this a well-calibrated reform that aligns regulatory effort with actual consumer risk.

Question 5 Conditions for the new commercial retrofit exemption class

Solarbank considers the proposed conditions for the new commercial retrofit exemption class to be appropriate and reasonable.We support:

- The obligation to fulfil requests from non-consenting tenants to match an electricity offer equivalent to what they would receive if not in the embedded network. This is a sensible consumer protection that addresses the core detriment risk of a commercial retrofit of the potential for a non-consenting tenant to be financially disadvantaged.
- The obligation to rectify duplicated network charges for tenants who have energy-only contracts with an authorised retailer. This addresses a known practical issue with embedded network billing and is consistent with conditions the AER has previously attached to individual commercial retrofit exemptions.

We note that these conditions align with what the AER has consistently attached to individual exemptions in this space. Their inclusion as standardised class conditions therefore maintains existing consumer protection standards, as the AER has indicated is its intent.

Question 6 Self-certification replacing AER approval for network retrofits

Solarbank strongly supports removing the requirement for prospective exempt network service providers to obtain AER approval (a Notice of Acceptance) before retrofitting a commercial site, and replacing this with self-certification and registration via the AER exemptions portal.

The Notice of Acceptance process is a meaningful bottleneck in the current commercial embedded network project lifecycle. Combined with the individual retail exemption process, the dual-approval pathway can add significant time and cost to a project before any physical works commence. For operators and clients who have already invested in conducting a thorough marketing and consent campaign and who have obtained the required 85% consent threshold, the additional approval layer provides limited additional consumer protection benefits relative to its cost.

The proposed self-certification model, where the operator declares compliance with the marketing and consent requirements and registers directly, appropriately shifts the compliance burden to the operator while retaining the AER's ability to audit, investigate, and enforce through its existing powers. This is a proportionate and mature regulatory model consistent with how other registration-based compliance frameworks operate.

We note that this reform places heightened importance on the quality and rigour of the operator's marketing and consent campaign documentation. Solarbank is committed to building robust documentation practices into our commercial project delivery processes and welcomes the clarity that standardised materials (proposed in Question 7) will provide.

Question 7 AER marketing and consent campaign template materials

Solarbank strongly supports the AER developing standardised marketing and consent campaign template materials with minimum required statements for commercial embedded network retrofits. Standardised templates resolve the ambiguity, reduce preparation costs for operators and ensure a consistent baseline of information reaches affected tenants regardless of which operator is conducting the retrofit.

We welcome the AER's intention to publish draft template materials for feedback as part of the draft guidelines consultation process. In the meantime, we offer the following content priorities for inclusion in the template:

- A clear, plain-English explanation of what an embedded network is and what changes for the tenant specifically covering metering changes, the change in who supplies their energy, and the change in billing arrangements.
- An explicit statement of the tenant's ongoing right to contract with a market retailer of their choice, even after the retrofit, including a clear explanation of the practical steps involved in

exercising that right (including the availability and conditions of energy-only contracts at the operator's discretion).

- A plain-English comparison of the embedded network tariff against the local area retailer's standing offer, expressed in both dollar and percentage terms for typical consumption, so that tenants can make an informed financial assessment.
- An explanation of what happens if the tenant does not consent, specifically whether they may be wired out of the network, and if not, what price-matching protections apply.
- Contact details for the AER and the relevant energy ombudsman, not just the site operator, so that tenants understand their access to independent information and dispute resolution.
- A statement that the AER publishes retail and network exemptions on a public register, and how a tenant can access that register.

We also recommend that the template include a separate consent form that clearly distinguishes between consent to the network conversion and consent to purchase energy from the exempt seller. These are distinct decisions and tenants should be able to consent to both individually.

Conclusion

Solarbank supports both the direction and substance of the proposed amendments to the Network Exemptions Guideline and Retail Exempt Selling Guideline. The reforms to reduce regulatory burden for commercial embedded network retrofits are practical, proportionate, and well-timed given the growth in commercial embedded network activity in Australia.

We are particularly supportive of the shift from approval-based to registration-based pathways for commercial retrofits under both guidelines, and of the development of standardised marketing and consent campaign materials. Together, these changes will reduce time and cost for operators and clients while maintaining the consumer protections that are appropriate for commercial tenants.

Solarbank would welcome the opportunity to engage further with the AER during the stakeholder engagement phase and to provide feedback on the draft guidelines and template materials when published. Please do not hesitate to contact us if you have any questions regarding this submission.