Supplementary Submission - Exemption Guidelines Review 2026 (Notice of Draft Decision, August 2026)

SolarEdge Technologies (Australia) Pty Ltd

Level 13/222 Exhibition St, Melbourne VIC 3000

ABN 15 165 506 712

Daniel Lewis, Sr Manager, Grid Services

1 October 2026

Rebecca Holland

General Manager (a/g) Compliance, Enforcement and Surveillance

Australian Energy Regulator

By email: AERexemptions@aer.gov.au

Re: Exemption Guidelines Review - Notice of Draft Decision (August 2026): supplementary submission

Dear Ms Holland,

SolarEdge Technologies (SolarEdge) thanks the AER for the Notice of draft decision of August 2026 and the draft version 8 guidelines. We recognise that the second-round submission period closed on 15 September, and we respectfully ask that this short supplementary submission be accepted into the record: the final guidelines are not yet made, and every point below goes to drafting precision within the policy positions the AER has already taken, not to reopening any of them. We would be glad for the AER to treat any point it cannot accommodate at this stage as input to its ongoing guidance material.

SolarEdge is a manufacturer of hybrid inverters, battery storage and associated energy-management technology. Our products are deployed across the full range of commercial models customer-owned, financed, leased and third-party-owned; operated by retailers, aggregators and independent service providers; at owner-occupied, tenanted and strata premises. Our interest remains what it was in June: that the exemptions framework gives all of these configurations the same clear answer, so that consumers, installers and investors across the market can act on the reforms. This submission is provided on a **non-confidential** basis and may be published in full.

1. Support for the draft decision

SolarEdge supports the draft decision and records four specific points of support:

- **The section 3 Note and the worked examples.** The statement that a network exemption is not required merely because a metering installation is established as a secondary settlement point *including within embedded networks* or because a third party (FRMP or SRA) has operational control of a customer's CER behind that point (draft Network Guideline, section 3 Note, p 11), together with Examples 6 and 8 (pp 14-16) confirming that secondary settlement points established within an embedded network do not alter the host's exemption obligations, delivers exactly the practical certainty first-round submitters sought.
- **Example 5**. We thank the AER for Example 5 (p 13), which shows an SRA as FRMP for secondary settlement points including a battery, controlling charge and discharge, within a single user network requiring no exemption. This takes up, in substance, our June request that bidirectional units, batteries and hybrid configurations be covered on the face of the guidance.
- **The R9 pathway**. The new registrable class R9 (draft Retail Guideline, p 33) with network-side self-certification (draft Network Guideline, Appendix C), retaining the marketing campaign, the 85% explicit informed consent threshold and the offer-matching conditions, is a proportionate implementation of the Question 4-6 proposals we did not oppose.
- **Conditions 1.20 and 1.21.** The new general conditions on metering-data confidentiality and metering-installation security (pp 55-57) extend NER-equivalent protections to customers within exempt networks and are a genuine consumer-protection advance.

The requests below are confined to carrying these settled positions through to the configurations the drafted examples do not yet reach.

2. Requested worked examples - completing the set

The AER added eight worked examples in response to first-round requests for practical guidance, and they are the most-used part of the draft. Three common configurations remain outside the set, and one existing example would benefit from a one-sentence boundary confirmation. In each case the policy answer appears already determined by the section 3 Note and the definitions; what is sought is the worked illustration on which installers, landlords and financiers can act.

2.1 Requested Example - A tenanted residential premises with third-party-owned CER. A residential premises is owned by a landlord and occupied by a tenant who is a small customer. The landlord (or a financier under a finance or lease arrangement with the landlord) owns rooftop solar and battery storage at the premises; the equipment is operated and maintained under a service arrangement with a third-party provider; secondary settlement points are established by the tenant's authorised retailer, which is FRMP for the tenant's primary connection point and the secondary settlement points. We ask the AER to confirm by worked example that **no network exemption and no retail exemption arises for the landlord, the financier or the service provider** in this configuration: the premises remains a single user network (noting the single-user-network definition expressly contemplates plant the site owner allows a service provider to operate or control), and none of those parties is selling energy to the tenant. We suggest the example close by confirming that **no party in this configuration requires a retail exemption**, there being no sale of energy to the tenant by anyone other than the tenant's own authorised retailer - the confirmation that matters most in practice to owners, financiers and their advisers.

Our June submission asked the AER to confirm the treatment of financed, leased and third-party-owned CER; the draft decision did not engage the point expressly. We re-press it here in its most concrete and most consequential form. Rental properties are the under-served segment the flexible trading reforms most directly target - around a third of Australian households rent, and the split incentive between owner and occupant is the acknowledged barrier - and SolarEdge products are routinely sold into precisely these ownership structures in comparable markets. Whether that hardware market develops in Australia turns on drafting certainty of this kind, for every brand and every provider, not on any one business model.

2.2 Requested Example B - owners-corporation common-property plant. A body corporate (owners corporation) is itself the customer at a connection point serving common property, and establishes secondary settlement points for storage (and solar) installed on common property, operated under an agreed arrangement with an SRA or other provider. We ask the AER to confirm by worked example that no network or retail exemption is triggered by that arrangement, and to note the pathway where the body corporate qualifies as a large customer (in which case the existing Example 6 / R5 analysis applies at the common-property connection point). Strata buildings are a substantial and growing deployment segment for three-phase and

commercial product lines, and bodies corporate are conservative counterparties who act on published examples.

2.3 Example 7 - a one-sentence boundary confirmation. Example 7 (p 14) addresses the owner who leases out part of a warehouse and begins supplying the sub-lessee, attracting NR1 and NRO2. For completeness, we ask the AER to confirm the converse boundary in the example or an accompanying note: a **wholly-tenanted single-customer premises** - one owner, one tenant who is the customer at the connection point, owner-supplied CER behind it, and no on-selling of energy by the owner - is not an exempt network, so no NDO1/NRO1/NRO2 registration arises for the owner. The sentence would prevent the registrable classes being read as reaching ordinary landlord-owned CER at single-tenant sites.

2.4 Requested Example D - the off-market embedded-network child. Example 8 resolves the on-market case; the dominant configuration in existing embedded networks, however, is the **off-market** child - a resident purchasing from the exempt seller with no FRMP at the child connection point, for whom the framework is presently silent. We ask the AER either to add a companion treatment for that resident, or to state explicitly in the guideline or its guidance what is and is not settled, naming the handoff (we understand the market-machinery aspects sit with AEMO and, for any rule change, the AEMC).

3. Consent and marketing materials - the information symmetry point

We acknowledged the AER's draft factsheets and consent-form template, and we note the Notice records our June request that the materials list alternatives to embedded networks (Notice, p 12). The draft materials as published do not yet carry it: the residential factsheet's treatment of CER ("Can I install solar, batteries or EV charging?") directs the resident to the proposal's contact person, and neither factsheet mentions that flexible trading arrangements now exist as a pathway to CER services that does not require joining an embedded network.

We ask that the final factsheets and consent template include one standardised sentence to that effect. The point is consumer-information symmetry, not advocacy for either pathway: the AER's own reform created the alternative, consent to a retrofit is being sought from tenants for whom that alternative may be material, and genuinely informed consent requires that the alternative be named. This is consistent with the AEMC's stated preference for flexible trading and with the AER's emphasis on retail contestability throughout the retrofit framework.

4. Network-charge treatment of secondary-settlement-point battery imports

Our June submission set out a program of small-customer pricing issues under Question 3; we do not restate it. We raise again only its sharpest limb, because it is the live determinant of whether small-customer secondary settlement points deliver value at all: **the classification and network-charge treatment of energy imported at a battery's secondary settlement point** - whether deemed self-consumed energy (generated and consumed within the premises, netted at the connection point under subtractive settlement) attracts network charges as though it were a grid import, and whether it is within the FRMP's discretion to allocate network charges to genuine grid imports at the primary connection point only.

We ask the AER to address this in guidance **to the extent it falls within its NERR functions**, and otherwise to **refer it formally** to the body whose question it is - as we understand it, AEMO for settlement and metering-data treatment and the AEMC for any rule-level resolution - and to say in the final decision where it has sent it. A recorded referral would itself materially assist the market: the present position is not an adverse answer but the absence of an addressee.

5. R5 - carrying the confirmation into the text

Finally, we welcome the Notice's confirmation that the existing R5 class adequately captures non-authorised FRMPs selling energy at large-customer secondary settlement points (p 7). Our June submission asked for that confirmation across the full span of SRA activity, including where discharged stored energy serves the large customer's own load under subtractive settlement. We ask that this confirmation be carried into the final Retail Guideline's text or a note to the R5 class discussion, rather than resting in the Notice alone, so that it survives as guidance once the Notice ceases to be the current document.

Closing

Each matter above sits within the policy framework the draft decision has already settled; our requests are for the worked examples, boundary statements and referrals that let the market act on it uniformly. We appreciate the AER's engagement with our first-round submission - Example 5 and the section 3 Note show that engagement directly - and we would welcome the opportunity to discuss any of these points with staff before the final guidelines are made.

Yours sincerely,

Daniel Lewis

Sr Manager, Grid Services

SolarEdge Technologies (Australia) Pty Ltd