

AER Exemptions
Australian Energy Regulator
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Draft AER (Retail) Exempt Selling Guideline (Version 5)

The Australian Energy Council (the Energy Council) welcomes the opportunity to make a submission to the Australian Energy Regulator's (AER) draft amendments to the AER Retail Exempt Selling Guideline.

The Energy Council is the industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

The Energy Council supports the amendments to the AER Retail Exempt Selling Guideline, subject to the comments below.

(a) Dispute resolution

We support amendments to require exempt sellers that sell energy to residential customers to be members of or subject to the relevant energy ombudsman scheme where they are able to be accommodated by the relevant scheme.

Ombudsman schemes offer accessible and cost effective means for customer complaints to be addressed. There is clear benefit in ensuring customers who receive electricity supply from exempt sellers are able to refer disputes to a relevant ombudsman. However, there is little benefit if the exempt sellers are not themselves paying members of the scheme.

We are supportive of the work currently underway reviewing various ombudsman schemes. A key feature of any revised arrangements should be to minimize any cross-subsidization of participant costs, to ensure that the cost of exempt sellers participating in the scheme is not borne by authorized retailers.

(b) Payment plans

We acknowledge the legal requirement that regulatory arrangements for exempt sellers should not unnecessarily diverge from those applying to retailers. In this context, it is concerning that the draft amendments apply new condition 12 (requiring payment plans) to some non-residential (D1, D10, R1, R5-8) as well as residential customers. We note that the NECF requirements relating to payment plans are limited to residential customers. It is appropriate that the exempt selling guidelines reflect this, and to limit the application of new condition 12 to residential customers.

While it is important that business consumers are supported through times of payment difficulty, each situation should be considered on a case-by-case basis. Offering a payment plan may not be the most appropriate mechanism for supporting a business customer, either from the customer's or retailer's perspective. For example, there may be a customer circumstance where an early payment incentive may enable the customer to better manage its account over time. Or, there may be a circumstance where entering into an extended, ongoing payment plan with a failing business may pose significant legal or

credit risks to the retailer. We therefore oppose the requirement to offer payment plans to non-residential customer classes.

Any questions about our submission should be addressed to Tess Fitzgerald by email to tess.fitzgerald@energycouncil.com.au or by telephone on (03) 9205 3115.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Tess Fitzgerald', is positioned above the typed name.

Tess Fitzgerald
Retail Policy Manager
Australian Energy Council