



Retail Exempt Selling Guideline

Version 6

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1 About this guideline

Under the *National Energy Retail Law* (Retail Law), any person or business who sells energy to another person for use at premises must have either a retailer authorisation or a retail exemption.^{1,2}

If energy selling is your main business, you are selling to large numbers of customers or selling in a number of states and territories, you will probably need a retailer authorisation. If you want to sell energy at a specific site, to customers you already have a relationship with, or have plans for small-scale selling activities, you may be eligible for a retail exemption.

Under the Retail Law, the AER must develop and maintain a guideline that provides information about exemptions from the requirement to hold a retailer authorisation.³

This guideline is for the information of those energy sellers that may need a retail exemption.⁴

This guideline will help you understand:

- whether you need an exemption or an authorisation (Section 3)
- what type of exemption you need – deemed, registrable or individual (Section 4)
- who should hold the exemption (Section 5)
- how to get an exemption (Section 6)
- how we assess individual exemption applications (Section 7)
- the conditions exemption holders must comply with (Section 8).

The guideline refers you to further information in the relevant appendices. The appendices provide detailed information to help you understand what you need to do to get an exemption and your obligations once you have one.

If you have read this guideline and are still unsure whether you need an exemption, please contact us. We can help you understand how the guideline works but we recommend obtaining your own legal advice on your specific circumstances. You can email us at AERexemptions@aer.gov.au, or phone the AER Information line on 1300 585 165.

This guideline deals with retail exemptions under the Retail Law. For network exemptions under the National Electricity Law, please see the *Network Exemptions Guideline*.⁵

¹ Section 88 of the Retail Law. A breach of this provision may attract a civil penalty.

² The Retail Law does not apply to off-grid arrangements in states or territories that have specifically excluded these arrangements under their adopting legislation.

³ Section 118(1)(a) of the Retail Law.

⁴ The energy selling activities covered by class exemptions are described in this *Retail Exempt Selling Guideline*. The Retail Law empowers us to develop the guideline, which sets out how we regulate exempt sellers.

⁵ Formerly titled *Electricity Network Service Provider – Registration Exemptions Guideline* (2018), [the guideline developed and issued by the AER pursuant to clause 2.5.1\(e\) of the National Electricity Rules as amended and updated from time to time.](#)

You should also familiarise yourself with the relevant State and Territory obligations. Where State or Territory laws conflict with the conditions in this [guideline](#), those State or Territory laws take precedence over the [guideline](#)'s conditions.

2 Are you an energy seller?

If you sell gas [and](#)/or electricity to a person or business for ~~use at~~ premises, ~~and you itemise that cost in a separate, discrete charge~~, it is likely that you are an energy seller under the Retail Law.

Energy selling covers a wide range of activities, from energy retailing by authorised retailers to households and businesses to landlords recovering energy costs from their tenants [for the tenant's energy consumption](#).

Energy '~~sales~~' do not necessarily have to be for profit—even passing on energy at cost to another person is a sale. ~~But we~~ [In certain circumstances, we](#) do not consider energy is being sold where energy costs are only one part of another fixed charge (for example, a hotel tariff or rent that includes [unmetered](#) energy costs),⁶ or where the costs are shared (for example, in a group house or a community facility).

Some examples of a sale of energy could include:

- energy sold to a long-term resident of a caravan park [or retirement village](#), based on the resident's metered consumption
- [energy sold to tenants of a residential apartment block based on each resident's metered consumption \(but not included in rent\)](#)
- [energy sold to small commercial/retail or large customers based on each business' separate metered consumption](#)
- unmetered energy where a commercial landlord is billed and then apports the cost between tenants
- energy sold to builders working on a construction site, even though it is on a temporary basis
- energy sold through power purchase agreements to supplement the energy a customer buys from an authorised retailer.

The Retail Law does not define 'premises'. We consider it has a broad application and we take a pragmatic approach to interpreting it.

⁶ We do not consider the sale of bulk hot water to be a 'sale of energy' under the Retail Law and Retail Rules.

3 Do you need an authorisation or an exemption?

If you sell energy in any state or territory where the Retail Law applies, you must hold either a retailer authorisation or an exemption from the requirement to hold an authorisation (but not both).⁷ This section of the guideline will help you decide if you need an [retailer authorisation](#), ~~or if you may instead seek~~ [or](#) a retail exemption. Penalties apply for sellers of energy who do not have an authorisation or an exemption.⁸

3.1 Retailer authorisation

A national retailer authorisation allows you to sell electricity or gas in all states and territories where the Retail Law applies.⁹

Retailer authorisations are normally required where:

- your main business is the sale of energy to customers¹⁰
- your main relationship with your customers is the sale of energy
- you plan to sell a large amount of energy across a number of sites or across a number of states and territories.

The AER assesses and approves applications for retailer authorisation. We have developed a separate guideline for businesses that want to apply for a retailer authorisation.¹¹

3.2 Retail exemptions

The scale of the planned energy sales or the relationship between the energy seller and customer may mean that an authorisation is not necessary and an exemption is more appropriate.

You ~~will likely~~ [may](#) be eligible for an exemption if you are planning to sell energy:

- ‘incidentally’ to your main business¹²
- as a community service or at cost, or
- to a defined group of customers at one site.

⁷ In Tasmania, the exemptions framework does not apply to embedded networks, such as caravan parks, shopping centres, and apartment buildings but does allow for individual exemptions, for example, for solar power purchase agreement providers (section 23, the *National Energy Retail Law (Tasmania) Act 2012* (Tas)).

⁸ We may issue an infringement notice (section 308 of the Retail Law). We may also apply to the Federal Court under section 44AAG of the *Competition and Consumer Act 2010* (Cth) for an order to pay a pecuniary penalty, and/or an order that the person cease the activity that is in breach, or take action to remedy the breach, or implement a specified program for compliance with the Retail Law.

⁹ Except where limited by state or territory legislation.

¹⁰ For further information on what the AER considers to be ~~‘core’~~ [‘main’](#) business, please see Appendix E section 3.1.

¹¹ The *AER Retailer Authorisation Guideline* is available on the AER’s website: <http://www.aer.gov.au/retail-markets/authorisations>.

¹² For further information on what the AER considers to be ‘incidental’ selling, please see Appendix E section 3.1.

Exemptions were developed to manage the practice of ‘on-selling’ energy. On-selling (or reselling) is when a person or business purchases energy from another person or business—usually an authorised energy retailer—and then sells it to a customer through an embedded network,¹³ such as a shopping centre, apartment building, retirement village or caravan park. The main relationship the on-seller has with their customer is not the sale of energy.

Most (but not all) exemptions are held by on-sellers. A person that sells energy to customers to supplement the energy that the customer buys from a retailer (for instance, energy that is generated by solar panels or other equipment the seller owns) may also be eligible for a retail exemption.

Like an authorisation, an exemption allows you to sell energy. However, unlike an authorisation, an exemption restricts your selling activity to a defined class (or classes) of customers, usually at a specific site (or sites). These restrictions will be set out [in this guideline or](#) the terms of the exemption. [If you sell energy to residents/tenants that fall within more than one exemption class \(for example, you sell energy to both commercial and residential customers within the same site\), you must apply each class of exemption that is relevant to the site. It is your responsibility to ensure your exemption covers each of the appropriate exemption classes for your energy on-selling arrangements.](#)

[The classes of deemed and registrable exemptions are set out in Appendix A-1.](#)

Exempt sellers ~~still have to~~[must](#) follow strict conditions and meet a range of obligations to their customers, but generally the regulatory requirements are lighter than those of retailer authorisations.

The core conditions that an exempt seller must meet are based on customer protections under the Retail Law but will vary according to your particular operations. They cover [protections](#) such ~~things~~ as an obligation to supply, provision of key information to customers, billing, ~~and~~ payment [and hardship](#) arrangements, [ombudsman scheme membership](#) ~~dispute resolution~~, disconnection and reconnection, and concessions and rebates.

The core conditions for exempt sellers are set out in **Appendices A-2 and A-3**.

If you hold an exemption and want to change or expand your selling activities, you ~~must tell us~~ [should consider notifying us first](#). You may be able to apply for an exemption variation, but if the scale and scope of your proposed sales is significant, you may need to apply for a retailer authorisation. ~~If you are granted an authorisation, you will need to surrender your exemption.~~

3.3 Examples: Authorisation or exemption?

The following examples help to demonstrate some key differences between an authorisation and an exemption. These are examples only as each case will be different. We consider the

¹³ An embedded network means a privately owned electricity network, connected to the distribution network by one or more meters. Energy is delivered to customers via the private network. For the purposes of this guideline, a private network connected to another private network is also considered an embedded network.

particular facts of each situation and encourage you to contact us to discuss your circumstances. We also recommend you obtain your own legal advice.

Example A

Company A plans to sell gas and electricity to residential customers and, in the longer term, to small business customers. It plans to start on a small scale in South Australia and then to expand to New South Wales and Queensland. Its core function is the sale of energy (it doesn't provide any other services to its customers).

It would be appropriate for Company A to seek a retailer authorisation.

Example B

Company B plans to on-sell electricity to 150 residential customers in a large apartment complex and 12 commercial/retail customers (coffee shops, convenience store, hairdresser etc) situated on the ground level.

It would be appropriate for Company B to register an exemption referring to the two applicable exemption classes (being R1 and R2) – see Section 4.2 of this guideline.

Example B-C

Company B-C is a mining company based in outback Queensland. It owns and operates an electricity generator which it uses to power its mining operations. It also supplies electricity to the townspeople (most of whom it employs). Its business is mining, not the generation and sale of energy, but it supplies energy because there is no other viable supply to the community and it is mutually convenient for the company and its customers. Its energy generation and sales activities will be restricted to this site and will continue for as long as the company's mining operations continue (or another source of energy becomes available).

It would be appropriate for Company B-C to seek an exemption (specifically an individual exemption – see Section 4.3 of this guideline).

4 What type of exemption do you need?

There are three types of exemptions: **deemed**, **registrable** and **individual**. The type of exemption you need will depend on the nature of your business and your energy sales, who you are selling energy to, and why you are selling it.

Deemed and registrable exemptions are called *class* exemptions because they apply to certain groups (or classes) of people who sell energy. Generally, these are people or businesses who sell energy incidentally, meaning that the sale of energy is not their main business and they are only selling energy to support another more significant relationship they have with the customer (for example, landlord and tenant).

We use a numbering system for class exemptions to group common types of selling activities together. This makes it easier for you to identify how we may consider your energy selling activities and the conditions that apply.

- Classes that an energy seller can hold automatically (that is, they are **deemed** to apply without any registration process), begin with the letter D (e.g. D1, D2 etc.).
- Classes that a seller must register for (by completing an online form) are known as **registrable** exemptions and begin with the letter R (e.g. R1, R2 etc.).

If you [require an exemption and](#) do not fit the criteria of an established class exemption, you must apply for an **individual** exemption.

4.1 Deemed exemptions

The AER has the power under the *National Energy Retail Rules* (Retail Rules) to determine a class of persons in respect of whom a deemed exemption is taken to be in force.¹⁴ This guideline sets out the deemed exemption classes as determined by the AER.

A **deemed exemption** applies automatically to certain classes of energy sellers. A person covered by a deemed exemption does not need to apply or register with us. Deemed classes are usually for small-scale selling arrangements that need little regulatory oversight. Most, however, are still subject to conditions, [as specified in this guideline](#).¹⁵

Deemed exemptions apply to a range of energy selling activities, including:

- caravan parks or holiday parks that sell metered energy to people for short-term **holiday** accommodation
- businesses that sell energy to a related business
- persons who sell metered energy to fewer than ten small businesses or residents
- businesses that sell unmetered electricity in Queensland¹⁶
- persons who sell unmetered gas where gas is used for limited purposes

¹⁴ [Rule 150\(1\) of the Retail Rules](#).

¹⁵ [In accordance with rule 153 of the Retail Rules](#).

¹⁶ Unmetered on-selling to residential customers is currently allowed in Queensland (provided certain conditions are met) under the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld), section 165.

- government and community organisations that sell metered energy secondary to their core functions

A full list of deemed exemption classes is set out at **Appendix A-1 (Table 1)**.

4.2 Registrable exemptions

[The AER has the power under the Retail Rules to determine a class of persons in respect of whom an exemption is registrable.¹⁷ This guideline sets out the registrable exemption classes as determined by the AER.](#)

[If a person who sells energy falls within a class of persons for which a registrable exemption has been determined, that person needs to be-registered with us, to avail themselves of that exemption.](#) This is usually because the scale of the selling activity is larger than for a deemed exemption and therefore more regulatory oversight is warranted.

Like deemed exemptions, **registrable exemptions** apply to certain classes of energy sellers. An exemption only applies to a particular individual or entity for a particular site and is subject to conditions [specified by the AER and as set out in this guideline](#).

We publish registrable exemptions on our website; but **do not assess or approve** them.

Energy sellers that ~~can~~ [should](#) register an exemption include:

- persons who sell metered energy to ten or more small tenants or residents within a site
- retirement villages or caravan parks who sell metered energy to permanent residents
- people or businesses selling energy to large customers.¹⁸

A full list of registrable exemptions is set out at **Appendix A-1 (Table 2)**. Two registrable classes (R6—Persons selling metered energy to small customers at an adjacent site and R7—Persons selling unmetered energy to small business customers) are only available where sellers had these selling arrangements in place **before** 1 January 2015.

4.3 Individual exemptions

[The AER may grant an individual exemption to a particular person.¹⁹](#) An individual exemption normally applies to the sale of energy at a particular site and/or to a particular customer (or group of customers). Individual exemptions are intended for more unusual and often one-off arrangements and allow us to tailor the conditions of the exemption to the specific situation.²⁰ As a general rule, if the planned selling activity is not covered by the exemption classes listed in Appendix A-1 you will likely need to apply for an individual exemption.

¹⁷ [Rule 151\(1\) of the Retail Rules.](#)

¹⁸ The threshold for large electricity customers in New South Wales, the ACT, Queensland and Victoria is 100 MWh per annum, 150 MWh per annum in Tasmania and 160MWh per annum in South Australia. For gas, the threshold in all jurisdictions is 1 TJ per annum.

¹⁹ [Rule 149\(1\) of the Retail Rules.](#)

²⁰ Rule 158 of the Retail Rules allows the AER to impose conditions on an individual exemption in relation to the sale of energy by the exempt seller to exempt customers.

Conditions attached to an individual exemption are intended to balance the needs and rights of customers and the regulatory burden that meeting those conditions will place on the exemption holder.

For example, if you are planning to sell to large industrial customers, the conditions we impose are likely to be minimal. If you are planning to sell to residential customers, we will likely impose conditions that provide customer protections closer to those provided by authorised retailers under the Retail [Law](#) ~~Law for example, a requirement to offer a hardship program.~~

Businesses that want to sell energy on a large scale (number of customers and/or energy sold) will likely need a retailer authorisation.

When applying for an individual exemption, your application should answer the questions [set out in Appendix B](#) ~~(but is not limited to them)~~ and include any required evidence.

4.4 Other situations: network conversions (retrofitting)

Retrofitting is the conversion of an existing site's electrical wiring into an embedded network that allows the owner or operator of the site to sell electricity directly to the residents or tenants of the site. Whether you need an individual exemption, or a class exemption (either deemed or registrable), will depend on your customers (residential or commercial) and whether you have their explicit informed consent to the conversion.

[If you are planning to retrofit a site, you will need to comply with the requirements of the Network Exemptions Guideline in addition to this Guideline.](#)

A ~~network conversion~~ retrofit changes the way residents/tenants take electricity supply at a site, as well as their supply choices. They should therefore be consulted on the changes, and have their concerns heard and addressed, to the [fullest](#) extent possible. To be able to engage in the process, residents/tenants need information about how the changes will affect them – both the benefits and the costs. **You need to obtain their the [explicit informed consent of each potential resident/tenant to the proposed change, that is to the network conversion retrofit and separately, to any obtain their explicit informed consent to the proposed actual purchase of electricity energy agreement.](#)**

A tenant/resident can agree to the ~~network conversion~~ retrofit but still make their own energy purchase arrangements (i.e. they do not need to consent to buy electricity from you).

In applications to sell electricity through a ~~network conversion~~ retrofit, tenants/residents must have given their fully informed consent to the conversion ~~–~~ [in the form of a signed consent form \(written or electronic\). Verbal consent is only acceptable in instances where the consent is evidenced in such a way that it can be verified and made subject of a record which must:](#)

- [enable the AER to verify the retailer’s compliance with the relevant requirements of the Retail Law and Rules relating to explicit informed consent,](#)
- [enable you to answer enquiries from a small customer relating to the customer’s explicit informed consent,](#)
- [be retained for at least 2 years, and](#)
- [be provided to a small customer on request and at no charge.](#)

To assess whether consent is fully informed, we consider the steps you have taken to disclose clearly, fully, and adequately all matters relevant to the conversion. We also consider how you sought to obtain consent and customers’ capacity to provide consent. You need to be able to support this information with evidence – and may need to include it in your [individual exemption](#) application.

Therefore, if you are planning to retrofit a site, you must first seek the explicit informed consent of all affected residents-~~or~~/tenants at the site [by way of a marketing campaign](#). [Clause 4.9 of the Network Exemptions Guideline sets out the marketing campaign you are required to undertake in relation to the proposed retrofit to ensure customers are fully informed. Clause 4.9 should be read in conjunction with this guideline.](#)²¹

[If you are planning to retrofit:](#)

- ~~If you are planning to retrofit~~ a **commercial** site and have the explicit informed consent of **all** the affected tenants, you do not need to apply for an individual exemption but will be eligible for the relevant [registrable class exemption](#). [However, you will be required to make available to us evidence of affected residents/tenants’ explicit informed consent \(to the retrofit, and separately to selecting the prospective Exempt Network Operator as their energy supplier\). Failure to provide evidence upon our request may prohibit your eligibility for the class exemption.](#)
- ~~If you are planning to retrofit~~ a **residential** site, you need to apply for an **individual exemption**—irrespective of whether you have the fully informed consent of all affected residents/~~or~~tenants. [As part of your individual exemption application, you will be required to make available to us evidence of affected residents/tenants’ explicit informed consent \(to the retrofit, and separately to selecting the prospective Exempt Network Operator as their energy supplier\).](#)
- [an existing individual exemption by expanding an existing commercial and/or residential retrofit within the same site, you will need to seek prior approval from us. The scope of the original individual exemption will likely determine whether a new individual exemption is required before we approve the retrofit expansion. In these circumstances, it is likely you will be required to supply evidence that affected residents/tenants have provided their explicit informed consent \(to the proposed retrofit expansion and separately to selecting the prospective Exempt Network Operator as their](#)

²¹ ~~The NSP Registration Exemption Guideline requires that at least 85 percent of tenants or residents consent to a network conversion to be eligible for a network exemptions for residential, small business and large business customers. As set out in the Network Exemptions Guideline, if you can demonstrate at the conclusion of a marketing campaign based on condition 4.9 that an 85 per cent or greater majority of residents/tenants have agreed to the retrofit, you may apply to the AER to convert the network. If the AER determines special circumstances apply, we may apply a lower or higher threshold to a specific application.~~

[energy supplier](#)). As set out in the *Network Exemptions Guideline*, the AER will assess and approve retrofit expansions on a case-by-case basis.

Our approach to assessing retrofit applications for individual exemption, and the additional information you should include in your application, are discussed in Section 7 (see also **Appendix A-1, Tables 1 and 2 and Appendix B**).

The potential customer detriment arising from a loss of retailer contestability is a key factor in our consideration of these applications. ~~Retrofit a~~Applications [for exemption, because of a retrofit](#), must therefore pass a high level of scrutiny. If you cannot demonstrate that you have taken satisfactory steps to mitigate customer detriment, we will not approve your application.

5 Who should hold the exemption?

The person (or business) **selling** the energy should hold the exemption. This will generally be the person who has a contract with an authorised retailer to buy energy at the site's gate meter and who then on-sells the energy to the customers at the site.

[Only a legal person may hold an exemption. A legal person includes an individual or a corporation. Unlike corporations, which are separate legal entities, trusts are not capable of holding an exemption. However, the trustees of such trusts may apply for and hold an exemption.](#)

If you hold an exemption, your exemption is specific to you and applies to the activities for which the exemption was granted or registered. Your exemption cannot be extended or transferred to related businesses or subsidiaries (that is, to another ACN or ABN), unless there is a change in ownership of the site to which a *registered* exemption relates (see below).²² Those other businesses will need to apply or register separately for their own exemptions.

[If you purchase a site from a seller who has a *registered* exemption in respect of that site, the existing exemption will continue to apply to the site after the change of ownership has taken effect. In this instance, you do not need to register for a new exemption.](#)

[However, if you intend to rely upon the existing exemption in respect of the site, you must notify us within 20 business days of the change in ownership taking effect by sending an email to: \[AERexemptions@aer.gov.au\]\(mailto:AERexemptions@aer.gov.au\). You should provide the ABN, legal name and contact details for both the old and the new owner and confirm the registrable exemption classes applicable to the site.](#)

[If you purchase a site for which an *individual* exemption has been granted, you may need to submit a new individual exemption application for that site. **Appendix B** sets out the information you must provide when you apply for an individual exemption.](#)

The exemption holder is responsible for ensuring compliance with all conditions of the exemption.

[You should advise us if the contact details for your authorised representative²³ change.](#)

5.1 When you use an agent or service provider

Many people or businesses use an agent or service provider to manage the sale of energy to their customers, particularly within embedded networks. A service provider may communicate with customers, organise connections and disconnections, issue bills and handle any energy-related complaints. If the service provider buys energy from a retailer and

²² An exemption will continue to apply where a company has changed its trading name or ownership structure as long as the legal entity remains the same.

²³ [An authorised representative will be the point of contact should the AER seek further information on the exempt network/site.](#)

sells it directly to your residents or tenants on your behalf, then they are the energy seller and are the party that needs an exemption or authorisation.

We do not ~~generally~~ consider that class exemptions are appropriate for service providers ~~because for them,~~ in circumstances where selling energy is a service providers' core business activity. If the service provider is selling energy to only one site, they may be eligible for an individual exemption. However, if they sell, or intend to sell, at many locations they may need to apply for a retailer authorisation (see discussion on Individual exemptions in Section 4.3).

6 How do you get an exemption?

6.1 Deemed exemptions

Deemed exemptions are automatic, provided you meet the criteria of the deemed class. This means you do not need to apply for or register an exemption, but rather are 'deemed' to be exempt.

You must comply with the conditions of the deemed exemption. The core conditions, and the exemption classes they apply to, are detailed at **Appendices A-2 and A-3**, respectively.

6.2 Registrable exemptions

Registrable exemptions are *not* automatic. You can register an exemption by completing the registration form available on our website.²⁴ To register a **retail** exemption, you need to complete Parts A and B of the form.

You must provide all the information requested in the form, including:

- the legal name (and trading name) of the business or person seeking the exemption, and their ABN or ACN
- the site address for the exemption, the number of customers at that site and the class of exemption (for example, class R1), and a brief description of the normal business activities undertaken at that site²⁵
- details of a customer contact and authorised representative so that we can contact you if necessary.

Anyone on-selling electricity will likely also need a network exemption. If you do, you should also complete Part C of the registration form available on our website. The [Network Exemptions Guideline](#) sets out the network registration process under Part C of that guideline.

Submit completed forms electronically to: AERexemptions@aer.gov.au.

There is no approval process for registrable exemptions. ~~Your exemption comes into effect once you are registered on our public register of exempt sellers.~~ [We will process your registration and publish the details of your exemption on our Public register of retail exemptions, following submission of your completed registration form.](#)²⁶

Conditions apply to all registered exemptions. You must comply with these conditions (see **Appendices A-2 and A-3**).

You should advise us if your details change, for instance if the site for which you have the exemption changes owners, or the nature of your energy selling activities changes

²⁴ A copy of our exemption registration form can be found here: <http://www.aer.gov.au/retail-markets/retail-exemptions>

²⁵ For example, retail shopping centre, residential apartment building, caravan park or retirement village.

²⁶ Please note that your exemption will only appear on the AER's public register of exemptions when the Retail Law has commenced in your jurisdiction. The AER's public register of exemptions can be found here: <http://www.aer.gov.au/retail-markets/retail-exemptions/public-register-of-retail-exemptions>

(for example, you no longer sell energy to small non-residential customers, but to large customers), or you start selling energy to life support customers (see Section 7.3.2). You may need to apply for a different type of exemption or an authorisation.

For a site that changes ownership or whose ABN or ACN changes, the new seller should advise us before the change takes effect. The new seller should provide the ABN, legal name and contact details for both the old and the new seller and confirm the registrable exemption classes applicable to the site.

6.3 Individual exemptions

We recommend you contact us before applying for an individual exemption. This is so we can provide information and guidance relevant to your individual circumstances and assist you with the application process.

Appendix B sets out the information you must provide when you apply for an individual exemption.

Providing false or misleading information (or omitting to provide relevant information) to a Commonwealth entity is a serious offence under the *Criminal Code Act 1995 (Cth)*.²⁷ ~~A court may impose a maximum penalty of \$102,000 per offence on a body corporate for breaches of this provision.~~

If your application contains confidential information, you should:

- clearly identify anything you consider confidential, and
- give reasons for each confidentiality claim, and
- advise of any potential harm that disclosing the information might cause you, and
- also submit a public version of your application.

The public version of your application should be detailed enough for members of the public to comment on if they wish—you should only remove genuinely sensitive information from the application.

A confidentiality claim, by itself, is not always enough to prevent disclosure. Under the Retail Law and the *Competition and Consumer Act 2010 (Cth)* (CCA), we may disclose confidential information in certain circumstances, for example, where disclosure would not cause detriment, or the public benefit in disclosing the information outweighs that detriment. For further information on the AER's policy on the collection, use and disclosure of information see the ACCC/AER information policy.²⁸

If we are considering disclosing confidential information, we will [endeavour to notify and consult you about the proposed release of that information in line with the ACCC/AER information policy](#) ~~contact your and first provide you an opportunity to comment~~²⁹.

²⁷ Sections 136.1 and 137.1 of the *Criminal Code Act 1995 (Cth)*.

²⁸ <https://www.accc.gov.au/system/files/ACCC-AER%20Information%20Policy.pdf>

²⁹ ~~The AER may use the information for any purpose connected with the performance or exercise of its functions or powers.~~

You can submit your application to AERexemptions@aer.gov.au with '*Application for individual exemption*' in the subject line.

The process for assessing an application for an individual exemption is set out in Section 7. Section 7 also explains what information must be provided in an application for an individual exemption for a retrofitted site.

7 Assessing applications for individual exemptions

Once you submit your application, we will review your application and contact you if there is any incomplete or missing information. If you fail to resubmit a revised application within 12 months of receiving our initial feedback, we will consider your application to have been withdrawn.

We will only accept applications for individual exemption that we deem to have met the minimum information requirements set out in **Appendix B** or **Appendix C** (for power purchase providers).

7.1 Public consultation process

~~We will review your application and will contact you if there is any incomplete or missing information. Provided your application is complete, we will 'accept' your application and start the required public consultation process (accepting your application does not mean that the AER as approved it. Once we accept your application and before deciding whether to approve it (accepting your application does not mean that the AER has approved it), we must follow a number of formal steps.³⁰ These include:~~

- publishing a notice on our website setting out a copy of, or the details in, the application and seeking written submissions from interested stakeholders
- allowing a period of at least 20 business days for written submissions to be made
- considering all written submissions received within that period before deciding whether to grant or refuse the application.

~~We will then publish a notice on our website:~~

- ~~stating that the application has been received, and~~
- ~~seeking written submissions on the application from interested stakeholders.~~

~~The consultation period will be at least 20 business days.~~

7.2 Assessing an application

When considering applications for individual exemptions, we will be guided by the national energy retail objective, which is:

to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.³¹

³⁰ [Rule 156 of the Retail Rules.](#)

³¹ Section 13 of the Retail Law.

We will also consider the policy principles³², exempt seller related factors³³ and customer related factors³⁴ specified in the Retail Law as well as any submission (~~received as part of the public consultation~~) when considering your application.³⁵

Guidance on how we consider these principles and factors is provided in **Appendix E**. We encourage anyone applying for an individual exemption to familiarise themselves with these policy principles and factors before making an application.

7.2.1 Assessing an application involving converted embedded networks (retrofits)

This section provides information ~~on points~~ to address in applications to sell energy through a converted embedded network. ~~To address these points~~ in your application, you need to ~~complete~~ provide the information set out at Parts 1, 2 and 3 of **Appendix B**.

In particular, you will need to demonstrate that you have taken adequate steps to mitigate any potential customer detriment.

1. Mitigation of detriment: Retail contestability and competitive offers

Customers in an embedded network can experience practical difficulties in accessing market retailers. An application for an exemption involving a retrofit must attempt to remove barriers to customers purchasing energy from a retailer of their choice. A successful applicant must also limit the customer detriment that may result from it potentially being a monopoly supplier, by offering an attractive product to customers *as if* in a more competitive market.

In addressing this issue, we will look for evidence that you have advised residents/tenants of potential customer impacts if they join the network and for evidence of:

- advice sought from the distributor whether (and how) non-consenting energy customers can be left out of the network conversion
- ongoing cooperation with retailers and distributors to facilitate access to competition
- processes to ensure customers who choose to purchase from an authorised retailer do not pay double network charges, and acknowledgement that financial responsibility lies with the exempt seller (i.e. the applicant) to rectify any double charging, and
- maintenance of consumer price and service quality at a level that would be competitive in the market. This may involve options around price matching for affected customers.

2. Mitigation of detriment: Customer dispute resolution services

Authorised energy retailers must be a member of all relevant state and territory energy ombudsman schemes. This is so their customers have access to a dispute resolution body if

³² [Subsection 114\(1\) of the Retail Law.](#)

³³ [Section 115 of the Retail Law.](#)

³⁴ [Section 116 of the Retail Law.](#)

³⁵ [Our exemption decisions are subject to judicial review \(covering questions of law only\) under the Administrative Decisions \(Judicial Review\) Act 1977 \(Cth\).](#)

they cannot resolve a complaint with the retailer. We consider the same protection should apply to customers of exempt sellers. For individual exemptions involving retrofits, we will assess the need for ombudsman scheme access and impose relevant conditions on a case-by-case basis.

In most instances where an exempt seller intends to on-sell energy to residential customers, they will be required to join the relevant ombudsman scheme, if permitted to do so within the relevant jurisdiction. The exempt seller must provide evidence (as part of their application) confirming they have taken steps to obtain membership with the relevant ombudsman scheme.

In Queensland, exempt sellers supplying residential customers will automatically be deemed members of the Energy and Water Ombudsman Queensland and are therefore not required to provide evidence of membership.

If we determine an exempt seller is not required to be subject to an ombudsman scheme (for example in relation to a commercial retrofit), the exempt seller must still have robust internal dispute resolution processes. In addressing this criterion, we will look for evidence of a dispute resolution process that is consistent with Australian Standards, as amended and updated from time to time.³⁶

3. Efforts to obtain explicit informed consent

Customers in embedded networks do not have the full range of rights and protections available to them under the Retail Law (as they would have, had the retrofit not taken place).

Therefore, retrofit applicants must advise potential customers about the implications of being in an embedded network. This will include information about the benefits as well as potential detriments. Applicants must provide potential customers a copy of the AER's customer factsheet, *How to access retailers for your energy needs if you live in an embedded network*, published on the AER's website and as in force from time to time. However, the information applicants can provide their potential customers may extend beyond the provision of the factsheet. We expect applicants to provide potential customers with sufficient information that will support their ability to provide their explicit informed consent to the proposed retrofit.

Applicants should demonstrate a robust approach to the facilitation and collection of explicit informed consent. Explicit informed consent must be sought and voluntarily provided, preferably via signed consent forms.

Applicants must also demonstrate a willingness to identify and mitigate the concerns of potential customers at the site. Any concerns customers raise must be formally recorded along with attempts made to address them.

~~Applicants must demonstrate a principled approach to the facilitation and collection of explicit informed consent. Applicants must also demonstrate a willingness to identify and mitigate the concerns of potential customers at the site.~~

Applicants must retain records of potential customers' explicit informed consent for at least two years. The record must be in a format and include information that will enable us to

³⁶ See *AS/NZS 10002:2014 Guidelines for complaint management in organizations*.

[verify compliance with the requirements for explicit informed consent. If we request records of potential customers' explicit informed consent within this two-year period, we expect these records to be provided to us within a reasonable timeframe.](#)

Applicants must provide evidence to support their claims. In particular, we will look for evidence of:

- clear communication with customers, including about their rights, protections and obligations, to allow them to make an informed decision about entering into an embedded network
- opportunities for customers to raise concerns, including that you have specifically advised them of the AER's formal public consultation process,³⁷ and any attempts you have made to discuss and/or mitigate those concerns
- regard for the capacity of affected ~~consumers~~ [customers](#) to provide voluntary informed consent, for example, English literacy skills or physical or intellectual disability may affect a person's capacity to provide consent, and
- a process that demonstrates collection of voluntary consent from customers.

Without such evidence, we cannot ~~establish what steps~~ [be satisfied that](#) an applicant has taken the required steps to inform customers (see **Appendix B: Part 3** for specific information requirements). Applications that do not provide this information may be refused.

7.3 Making a decision

Unlike deemed and registrable exemptions, the AER must decide whether to grant an individual exemption. Once we have considered your application we will advise you, in writing, of our decision.³⁸ If your application is approved, we will also advise you of any conditions that may be attached to the exemption.³⁹ You will need to accept those conditions, in writing, before your exemption takes effect. If you do not accept the conditions within ~~the specified timeframe~~ [business days after receiving notice that your application has been approved \(or such period as extended by us\)](#), your exemption will be taken to be refused.⁴⁰

7.3.1 Coverage or scope of exemption

Most individual exemptions will be issued for a particular site or area and will limit the sale of energy to a certain class or classes of customers. We will only grant an individual exemption that covers multiple sites where it is consistent with the national energy retail objective.

³⁷ It is important that applicants ensure that customers who will be affected by the proposed embedded network are fully informed about the AER's consultation process. Customers should be advised that the AER consults on individual exemption applications and provided with information about how to make a submission to the AER's consultation process (this information can be found on the AER website <https://www.aer.gov.au/retail-markets/retail-exemptions/making-a-submission-to-an-individual-retail-exemption-application>).

³⁸ Rule 160 (approval) and rule 163 (refusal) of the Retail Rules.

³⁹ Rule 160 of the Retail Rules.

⁴⁰ [Rule 161 of the Retail Rules.](#)

The Retail Law does not place a limit on the duration of an exemption. However, we may impose a time limit on an individual exemption if we consider it appropriate. This will be determined on a case-by-case basis.

If we do not impose a time limit, the exemption will continue until it is cancelled or revoked.

7.3.2 Change of circumstances

Your exemption will specify the form of energy you may sell and the scope of your sales; it cannot be varied⁴¹ to sell another or an additional *form* of energy, or to additional sites.⁴² You will need to apply for ~~an exemption variation~~ [a new or separate individual exemption](#) to do this. You should also contact us if your details change in any other way. ~~Simple changes, like a change in contact details, generally only mean updating the public register.~~

7.4 Grounds for refusal

We may refuse an application for an individual exemption if, for example:

- we do not consider it will contribute to the ~~achievement of the~~ national energy retail objective⁴³
- we do not consider it is in line with the policy principles or is consistent with the exempt seller related factors or the customer related factors
- you have not adequately demonstrated why you should be granted an individual exemption or have not provided evidence necessary to support your application and / or claims
- we consider you should apply for a retailer authorisation, given the scale and scope of your energy sales
- you have provided us with false or misleading information.

⁴¹ [Rule 159\(2\) of the Retail Rules.](#)

⁴² Unless your exemption specifically allows you to sell across multiple sites, for example, solar power purchase agreement sellers.

⁴³ We will consider whether or not the granting of the exemption is compatible with the development and application of consumer protections for small customers, ~~including protections relating to hardship customers, as required by section 205 of the Retail Law.~~

8 Exemption conditions and compliance

8.1 Exemption conditions

The AER is empowered under the Retail Rules⁴⁴ to impose conditions in relation to the sale of energy by an exempt seller or class of exempt sellers to exempt customers.

Most exemptions—registrable, deemed, and individual—have conditions you must meet. Conditions are designed to protect customers without being an unreasonable burden on exempt sellers, and the general conditions are modelled on the protections that authorised retailers must provide their customers.

The conditions vary according to the nature of the energy sale (including scale and scope) and the seller-customer relationship. For example, we would likely apply minimal conditions where the energy sale is to commercial or large customers as large customers are unlikely to need a high level of consumer protection. However, for sellers to residential customers we would likely apply conditions that are similar to relevant obligations placed on an authorised retailer ~~for sellers who sell to residential customers~~.

A full list of core conditions is at **Appendix A-2**. **Appendix A-3** shows which conditions apply to each exemption class.

If you cannot meet all the conditions attached to your exemption, you should contact us immediately.

8.2 Breaches of conditions

A breach of an exemption condition is considered a breach of the Retail ~~Rules Law~~⁴⁵ and a can attract significant civil ~~penalty provision penalties~~. The requirement to comply with exemption conditions is a tier 1 civil penalty provision.⁴⁶ A failure to comply with exemption conditions may therefore attract, for body corporates, maximum penalties the greater of \$10 million, three times the value of any benefit reasonably attributable to the contravention, or 10% of the annual turnover of the body corporate.⁴⁷

Possible AER enforcement responses to breaches of the Retail Law or Rules may involve:

- an administrative resolution (~~an agreement between the parties~~ which does not rely on any particular provision of the Retail Law or Rules, ~~including~~ for example, voluntary undertakings provided to the AER, revisions to internal processes or improved compliance training, or a combination of these types of resolutions); or

⁴⁴ Rule 152 of the Retail Rules.

⁴⁵ Section 112 of the Retail Law.

⁴⁶ ~~Tier 1 civil penalties will be indexed every three years from July 2023~~ See subsection 112(1) of the Retail Law and Schedule 1 to the National Energy Retail Regulations.

⁴⁷ Tier 1 civil penalties will be indexed every three years from July 2023 – see section 300A of the Retail Law and regulation 12A of the National Energy Retail Regulations.

- a statutory enforcement action (~~including issuing infringement notices of \$4,000 for a natural person or \$20,000 for a body corporate~~⁴⁸, enforceable undertakings and court proceedings, or a combination of these options).

The AER also has the power, in ~~limited~~ certain circumstances, to revoke a retail exemption.

If an exempt seller is a corporation, it may be held responsible for any actions of its officers and employees that result in a breach.⁴⁹ In addition, if a corporation contravenes a breach provision,⁵⁰ each officer who knowingly authorised or permitted the contravention is deemed to have committed the breach.⁵¹

Depending on the facts and circumstances, an exempt seller may also be held responsible for the actions of their agents. Agents of exempt sellers may be liable under the Retail Law if they aid, abet, counsel or procure a breach of a civil penalty provision, or are in any way knowingly concerned in a breach by the exempt seller.⁵²

For further information on our approach to breaches see the [AER Compliance and Enforcement policy](#).

In addition to complying with your obligations under the Retail Law and this guideline, you must comply with relevant legislation, including the competition provisions of the ~~Competition and Consumer Act 2010~~ [CCA](#).

⁴⁸ ~~Section 308 of the Retail Law. The term 'body corporate' is not defined in the Retail Law but encompasses any office or group of people recognised at law as having separate legal personality. Corporates, whether incorporated under the Corporations Act 2001 or by special statute, come within the definition. This is in contrast to the use of this term as defined in the Glossary to this guideline.~~

⁴⁹ Section 305 of the Retail Law.

⁵⁰ A breach provision is defined by section 303 of the Retail Law as 'an offence provision, a civil penalty provision or a conduct provision'. These terms are further defined in the Retail Law.

⁵¹ Section 304 of the Retail Law.

⁵² Section 298 of the Retail Law.

9 Condition variation

9.1 Deemed and registered exemptions

The Retail Rules permit us to vary conditions for deemed and registered exemptions.⁵³ Any changes to conditions will apply to existing and future deemed and registered exemptions.

9.2 Individual exemptions

A variation of a condition imposed on an individual exemption is considered to be a variation of the exemption itself.⁵⁴

If you require a variation to your individual exemption you will need to contact us at AERexemptions@aer.gov.au. Requests for condition variations will be assessed on a case-by-case basis.

Appendix D provides information around the steps you must take if your circumstances change and you wish to vary an existing individual exemption. Individual exemption variations, initiated by an exemption holder, follows the same process as described below, where the variation is initiated by the AER.

The Retail Rules permit the AER to vary the conditions attached to an existing individual exemption.⁵⁵

We must follow several formal steps when we receive an application to vary an individual exemption. As part of this process, the AER must:

- publish a notice on our website setting out a copy of, or the details in, the application and seeking written submissions from interested stakeholders
- allow a period of at least 20 business days for written submissions to be made, and
- consider all written submissions received within that period before deciding whether to grant or refuse the application.⁵⁶

If we decide to grant an application for variation of an individual exemption, we must, as soon as practicable, give the applicant a notice stating our decision and specifying the conditions (if any) that we have decided to impose on the exemption by way of the variation.⁵⁷

The AER must also publish the terms of the variation on our website.⁵⁸

⁵³ Rule 153(3) of the Retail Rules.

⁵⁴ Rule 158(4) of the Retail Rules.

⁵⁵ Rule 158(3) of the Retail Rules.

⁵⁶ Rule 156 of the Retail Rules.

⁵⁷ Rule 160 of the Retail Rules.

⁵⁸ Rule 162(2) of the Retail Rules.

9.10 Cancellling and revoking exemptions

9.10.1 Cancellling an exemption

If your circumstances change and you no longer need an exemption you may apply to the AER to cancel your exemption. The AER's power to repeal an exemption under the Retail Law applies in the same way, and subject to the same conditions, as the power to make the exemption.⁵⁹ Therefore, the process for cancelling an exemption is ~~the reverse of the similar to the~~ process for creating it.⁶⁰ In the case of a registrable exemption, this will mean ~~removing your exemption from the public register of exemptions~~ amending the exemption in the Public register of retail exemptions⁶¹ to reflect that it is no longer effective. However, as with the decision to grant an individual exemption, the process for cancelling an individual exemption ~~will mean~~ requires a 20 day public consultation and a ~~decision making process~~ formal AER decision.

Before we begin the process of cancelling an exemption we will want to be satisfied that all energy selling has ceased, or if energy is still being sold, that it is being sold by someone holding ~~the appropriate regulatory instrument such as~~ an exemption or authorisation.

We must follow a number of formal steps when we receive an application to cancel an individual exemption. These include:

- publishing a notice on our website stating that the application for cancellation has been received and seeking written submissions on the application from interested ~~parties~~ stakeholders
- allowing a period of at least 20 business days for written submissions to be made
- considering all written submissions made during that period before deciding whether to cancel your exemption
- providing you with a written notice of our decision and, if we decide to refuse your application for cancellation, providing you with a notice setting out the reasons for our decision
- publishing the details of our decision on our website.

The cancellation of an individual exemption will normally be a straightforward process.

9.10.2 Revoking an exemption

~~If you do not comply with the conditions of your exemption and, after looking into the matter, we consider the non-compliance is serious (for example, if there has been a material failure)~~ we are satisfied that the non-compliant conduct has resulted from there has been a material failure by you to meet the conditions imposed on you under your exemption, we may decide

⁵⁹ ~~The power to repeal an exemption is contained in section 20 of Schedule 2 to the National Gas Law, as applied to the Retail Law by~~ See section 8 of the Retail Law and section 20 of Schedule 2 to the National Gas Law.

⁶⁰ ~~The power to repeal an exemption is contained in section 20 of the National Gas Law, as applied to the Retail Law by section 8 of the Retail Law.~~

⁶¹ <https://www.aer.gov.au/retail-markets/retail-exemptions/public-register-of-retail-exemptions>

to revoke your exemption.⁶² An example of a 'material failure' is where an exempt ~~person~~ seller has not complied with one or more of their exemption conditions, which has had a significant or widespread impact on their customers.

Before we revoke your exemption we must:

- give you notice that we intend to revoke your exemption, and our reasons for revoking it, and
- give you an opportunity to respond, in writing, within 10 business days after the date of the notice, showing cause why the exemption should not be revoked and or proposing what you will do to rectify the problem.⁶³

If we are not satisfied with your response and decide to revoke your exemption, we ~~may~~ will set a time for the revocation to take effect and will inform you of any conditions you must comply with.⁶⁴ For example, you may need to comply with certain requirements of the Retail Law and/or Rules that may continue to apply after the revocation.⁶⁵ We will publish our revocation decision on our website.

⁶² Section 111(1) and (2) of the Retail Law ~~empowers the AER to revoke exemptions.~~

⁶³ Section 120 of the Retail Law.

⁶⁴ Section 120(7) of the Retail Law.

⁶⁵ Section 120(8) of the Retail Law.

1011 Network exemptions

If you are selling electricity through a private embedded network that you own or operate,⁶⁶ you will need to either register the network with the Australian Energy Market Operator (AEMO) or register a network exemption with us (if the network is not in a deemed exemption category).⁶⁷

In most cases, if you are eligible for a deemed or registrable retail exemption you will also need a network exemption. Some, but not all, individual [retail](#) exemption holders will also need a network exemption (sellers of power purchase agreements, for example, will not).

We administer both the network and retail exemption processes. Although the exemptions are separate, you can register either or both a retail exemption and network exemption on the [one form](#).⁶⁸ If you have already been granted an individual retail exemption you will need to register your network exemption separately.

The ~~Electricity network service provider registration exemption guideline~~ [Network Exemption Guideline](#)⁶⁹ sets out further information on network exemptions, including classes of exemption and how to apply for a network exemption.

⁶⁶ Network exemptions apply only to networks connected to the national electricity grid, and are not required for off-grid networks.

⁶⁷ Section 11(2) of the National Electricity Law.

⁶⁸ A copy of our exemption registration form can be found at: <https://www.aer.gov.au/forms/exemption-registration-application>.

⁶⁹ A copy of this guideline is available at [<website link placeholder>](#)

12 Glossary

[This Guideline applies the following definitions](#)

Term	Definition
Body corporate	A controlling body of a scheme constituted under state or territory strata titles legislation, the members of which are lot owners (or their representatives) and includes an owners' corporation but is not a body corporate for the purposes of the <i>Corporations Act 2001</i> (Cth).
Customer	Has the same meaning as exempt customer .
Disconnection or de-energisation of premises	Means: <ul style="list-style-type: none">• in the case of electricity—the opening of a connection or• in the case of gas—the closing of a connection in order to prevent the flow of energy to the premises.
Embedded network	A privately owned energy network, connected to the distribution network by one or more meters. Energy is delivered to customers via the private network. For the purposes of the retail exemption guideline, a private network connected to another private network is also considered an embedded network.
Energy	Electricity or gas, or both .
Energy ombudsman scheme	Means a scheme associated with under which the energy ombudsman for the relevant jurisdiction, as prescribed in regulation 5 of the National Energy Retail Regulations , operates .
Exempt customer	A person to whom an exempt person seller sells energy and who would be a retail customer of the seller if the seller were a retailer.
Exempt hardship customer	A residential exempt customer of an exempt seller who is identified as a customer experiencing financial payment difficulties due to hardship in accordance with the exempt seller's hardship policy.
Exempt person or exempt seller	A person who is exempted by the AER under a deemed, registered or individual exemption from the requirement to hold a retailer authorisation.
Explicit informed consent	Consent given by a customer to a person where the person has clearly, fully and adequately disclosed all matters relevant to the consent of the customer, including each specific purpose or use of the consent; and the customer gives the consent to the transaction: <ul style="list-style-type: none">• in writing signed by the customer or• verbally, so long as the verbal consent is evidenced in such a way that it can be verified and recorded

Term	Definition
Long term resident of a caravan park, residential park or manufactured home estate/park	A person whose premises is the resident's principal place of residence, that is, it is where the person lives most of the time and / or the person has no other place of residence.
Large customer	A business customer who consumes energy at business premises at or above the upper consumption threshold as defined by the relevant jurisdiction. If no threshold is defined – 100 megawatt hours per annum for electricity or 1 terajoule per annum for gas, as per the National Energy Retail Regulations SA 2012 – unless otherwise specified in the regulations in force in the relevant jurisdiction.
Life support equipment	Any of the following: <ul style="list-style-type: none"> a. an oxygen concentrator b. an intermittent peritoneal dialysis machine c. a kidney dialysis machine d. a chronic positive airways pressure respirator e. Crigler-Najjar syndrome phototherapy equipment f. a ventilator for life support g. in relation to a particular customer, any other equipment that a registered medical practitioner certifies is required for a person residing at the customer's premises for life support.
On-market customer	A customer of an authorised energy retailer
Meter	A device that measures the quantity of energy passing through it or records the consumption of energy at the customer's premises.
Off-grid	Not physically connected to the distribution or transmission systems that make up the national electricity power system energy grid .
On-selling	An arrangement where a person acquires energy from another person, and they, or a person acting on their behalf, sells energy for use within the limits of a site.
Planned interruption	An interruption of the supply of energy for the planned maintenance, repair or augmentation of either the distribution system or the embedded network, including planned or routine maintenance of metering equipment, or the installation of a new connection or a connection alteration.
PPA	A power purchase agreement, which is a financial arrangement in which a business provides, installs and maintains, at no initial cost, an electricity generation system at a customer's premises and in exchange, the customer buys the energy generated for an agreed period.
Public register	AER's <i>Public register of retail exemptions</i> under maintained and published as required by section 119 of the Retail Law. r. 164 of the National energy Retail Rules It

Term	Definition
	includes a list of all holders of registered exemptions and individual exemptions.
Reconnection or re-energisation of premises	The energisation of the premises after its de-energisation.
Residential customer	A customer who buys energy principally for personal, household or domestic use at premises.
Retailer	A person who is the holder of a retailer authorisation for the purposes of section 88 of the Retail Law.
Retrofitting	Installing a private electricity network into a site that was established and serviceable by a retailer to allow on-selling.
Small customer	<p>A customer—</p> <ul style="list-style-type: none"> • who is a residential customer, or • who is a business customer who consumes energy at business premises below the upper consumption threshold, as defined by the relevant jurisdiction. If no threshold is defined— 100 megawatt hours per annum for electricity or 1 terajoule per annum for gas, as per the National Energy Retail Regulations – unless otherwise specified in the regulations in force in the relevant jurisdiction.
SPPA	A solar power purchase agreement
Unplanned interruption	An interruption of the supply of energy to carry out unanticipated or unplanned maintenance or repairs to either the distribution system or the embedded network, in any case where there is an actual or apprehended threat to the safety, reliability or security of the supply of energy.

Appendix A-1: Classes of deemed and registrable exemptions and conditions

Table 1 – Deemed classes of exemption

The classes of exemption set out in Table 1 below have been determined pursuant to rule 150(1) of the Retail Rules.

Deemed exemption class	Application	Class criteria	Class restrictions
<p>Class D1</p> <p>Persons selling metered energy to fewer than ten small commercial/retail customers within the limits of a site that they own, occupy or operate.</p>	<p>Applies (but is not limited) to bodies corporate, landlords, lessors or property managers who sell energy in commercial or retail developments such as shopping centres, office buildings, airports, marinas and industrial parks.</p> <p>Customers are commercial or retail customers.</p>	<p>Energy is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>Each premises is separately metered, and</p> <p>The site has fewer than 10 commercial or retail premises.</p>	<p>Class remains open except for sites where embedded networks are retrofitted after 1 January 2015 and the applicant is unable to obtain the explicit informed consent of all affected customers.</p> <p>Individual exemptions will be required if embedded networks are retrofitted after 1 January 2015 and explicit informed consent cannot be obtained from 100% of affected customers.</p>
<p>Class D2</p> <p>Persons selling metered energy to fewer than ten residential customers within the limits of a site that they own, occupy or operate.</p>	<p>Applies (but is not limited) to bodies corporate, landlords, owners and operators of rooming houses, lessors, or property managers who sell energy to residential dwellings such as units, standard apartments, flats and purpose built off-site student accommodation.</p> <p>Customers include tenants, occupants and owner-occupants.</p>	<p>Energy is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>Each premises is separately metered, and</p> <p>The site has fewer than 10 residential premises.</p>	<p>Class remains open except for sites where embedded networks are retrofitted after 1 January 2015.</p> <p>Individual exemptions are required for sites where if embedded networks are retrofitted after 1 January 2015 from that date.</p>

Deemed exemption class	Application	Class criteria	Class restrictions
<p>Class D3</p> <p>Persons selling metered energy to occupants of holiday accommodation on a short-term basis.</p>	<p>Customers are short term occupants of holiday accommodation including (but not limited to) hotels, motels, inns, holiday flats, holiday cabins, campsites, caravan parks and marinas.</p> <p>Customers do not include residents of caravan parks, residential parks and manufactured home estates who principally reside there. -Persons selling to these customers are covered by registrable exemption R4.</p>	<p>Energy is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>Each premises is separately metered, and</p> <p>The occupancy is short-term, that is, the resident does not principally reside there, and</p> <p>There is a separate itemised item for the sale of energy.</p>	<p>Class remains open.</p>
<p>Class D4</p> <p>Persons temporarily selling energy on construction sites.</p>	<p>Temporary supply for the construction and commissioning phase of building, civil, construction, industrial, transport, mining or other projects.</p>	<p>Incidental supply to facilitate bona fide construction and commissioning of new facilities on the same or an adjoining site</p>	<p>Class remains open.</p>
<p>Class D5</p> <p>Persons selling unmetered gas to individual premises where gas is used for limited purposes.</p>	<p>Gas that is sold for limited purposes, for example, for use in cooking appliances. It does not include gas used in the production of bulk or stored hot water.</p>	<p>Gas is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>The premises are not separately metered for gas consumption, and</p> <p>There is a separate itemised charge for the gas sold, and</p> <p>Gas is not used for space heating.</p>	<p>Class remains open.</p>

Deemed exemption class	Application	Class criteria	Class restrictions
<p>Class D6</p> <p>Persons selling unmetered electricity to residential customers in Queensland.</p>		<p>Electricity is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>Premises are not separately metered, and</p> <p>The relationship between the seller and customer is covered by the Residential Tenancies and Rooming Accommodation Act 2008 (Qld).</p>	<p>Class remains open until Queensland legislation no longer permits this type of selling.</p>
<p>Class D7 - DELETED</p>			<p>This exemption class has been revoked.</p>
<p>Class D8</p> <p>Persons selling energy to a related company.</p>	<p>Persons or companies who sell energy to a related company where the person or company controls, or is controlled by, another company including where:</p> <ul style="list-style-type: none"> • a company is a subsidiary of another company, or • two companies have a common holding company. 		<p>Class remains open.</p>
<p>Class D9</p> <p>Persons selling energy to customers in conjunction with, or ancillary to, the provision of telecommunications/information services.</p>	<p>Applies (but is not limited) to telecommunications companies and data centre operators.</p>	<p>Energy is sold on or within the person's premises, and</p> <p>The energy is used in conjunction with, or ancillary to, the provision of telecommunications or information services.</p>	<p>Class remains open.</p>

Deemed exemption class	Application	Class criteria	Class restrictions
<p>Class D10</p> <p>Government and similar agencies, including their sub-contractors, selling metered energy to non-residential customers.</p>	<p>Applies (but is not limited) to Federal, State and Local Government departments, statutory authorities or government owned corporations established under legislation of the Commonwealth or States and Territories and universities.</p> <p>Does not include housing authorities and student accommodation.</p>	<p>The entity has been established for purposes other than the sale, supply or generation of energy or the supply of housing or residential accommodation to tenants, and</p> <p>The entity sells energy for purposes that are ancillary to its primary functions or objectives under its establishment legislation, and</p> <p>Each premises is separately metered.</p>	<p>Class remains open.</p>

Table 2 - Registrable classes of exemption

The classes of exemption set out in Table 2 below have been determined pursuant to rule 151(1) of the Retail Rules.

Registrable exemption class	Application	Class criteria	Class Restrictions
<p>Class R1</p> <p>Persons selling metered energy to ten or more small commercial/retail customers within the limits of a site that they own, occupy or operate.</p>	<p>Applies (but is not limited) to bodies corporate, landlords, lessors or management corporations who sell energy in commercial or retail properties such as shopping centres, office buildings, airports, <u>marinas</u> and industrial parks.</p>	<p>Energy is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>Each premises is separately metered, and</p> <p>The site has 10 or more commercial or retail premises.</p>	<p>Class remains open except for sites where embedded networks are retrofitted after 1 January 2015 and the applicant is unable to obtain the explicit informed consent of all affected customers.</p> <p><u>Individual exemptions are required if embedded networks are retrofitted after 1 January 2015 and explicit informed consent cannot be obtained from 100% of affected customers</u></p>

Registrable exemption class	Application	Class criteria	Class Restrictions
<p>Class R2</p> <p>Persons selling metered energy to ten or more residential customers within the limits of a site that they own, occupy or operate.</p>	<p>Applies (but is not limited) to bodies corporate, landlords, lessors, rooming houses or management corporations who sell energy to residential dwellings such as units, standard apartments, flats and purpose-built student accommodation.</p> <p>Applies to owners or operators of marinas who sell energy to residents principally residing on site.</p> <p>Customers include tenants, occupants and owner-occupants.</p> <p>Customers do not include retirement village residents, or residents of caravan parks, residential parks and manufactured home estates who permanently reside there. Energy sales to these customers are covered by registrable classes R3 and R4, respectively.</p>	<p>Energy is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>Each premises is separately metered, and</p> <p>The site has 10 or more premises.</p>	<p>Individual exemptions are required if embedded networks are retrofitted after 1 January 2015</p> <p>Individual exemptions are required for sites where embedded network are retrofitted after 1 January 2015.</p>
<p>Class R3</p> <p>Retirement villages selling metered energy to residential customers within the limits of a site that they own, occupy or operate.</p>	<p>Owners or operators of retirement villages.</p>	<p>Energy is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>Each premises is separately metered.</p>	<p>Class remains open. Individual exemptions are required for sites where embedded network are retrofitted after 1 January 2015. except for sites where embedded networks are retrofitted after 1 January 2015. Individual exemptions are required from that date.</p>

Registrable exemption class	Application	Class criteria	Class Restrictions
<p>Class R4</p> <p>Persons selling metered energy in caravan parks, residential parks and manufactured home estates (also known as residential land lease communities) to residents who principally reside there. (ie long term residents)</p>	<p>Owners or operators of caravan parks, residential parks and manufactured home estates.</p>	<p>Energy is used for premises within the limits of a caravan park, residential park or manufactured home estate site owned, occupied or operated by the person, and</p> <p>Each premises is separately metered, and</p> <p>The premises are the residents' principal place of residence, that is, it is where the person lives most of the time and / or the person has no other place of residence.</p>	<p>Class remains open.</p>
<p>Class R5</p> <p>Persons selling metered energy to large customers.</p>	<p>Site specific</p>	<p>Each premises is separately metered (unless the customer has agreed otherwise), and</p> <p>The customers are large (ie for electricity, customers consume 100 MWh pa per annum or more in New South Wales, the ACT, Queensland and Victoria, 150 MWh pa per annum in Tasmania, and 160MWh pa per annum in South Australia; and for gas, customers consume 1TJ pa or more).</p>	<p>Class remains open.</p>
<p>Class R6</p> <p>Persons selling metered energy to small customers at a site or premises adjacent to a site that they own, occupy or operate</p>	<p>Sellers who commenced selling prior to 1 January 2015.</p> <p>Legacy arrangements.</p>	<p>Energy is used for premises adjacent to the site owned, occupied or operated by the person, and</p> <p>Each premises is separately metered, and</p> <p>Energy sales across site boundaries are permitted by the relevant jurisdiction.</p>	<p>Sellers who commenced selling after 1 January 2015 must apply for individual exemptions.</p>

Registrable exemption class	Application	Class criteria	Class Restrictions
<p>Class R7</p> <p>Persons selling unmetered energy to small commercial/retail customers at a site that they own, occupy or operate.</p>	<p>Bodies corporate, landlords, lessors or management corporations (and similar entities) who sell energy in -commercial or retail properties such as shopping centres, office buildings, airports and industrial parks.</p> <p>Sellers who commenced selling prior to 1 January 2015.</p> <p>Legacy arrangements.</p>	<p>Energy is used for premises within the limits of a site owned, occupied or operated by the person, and</p> <p>Premises are not separately metered.</p>	<p>Sellers who commenced selling after 1 January 2015 must apply for individual exemptions.</p>
<p>Class R8</p> <p>Persons selling electricity as a supplementary supply through power purchase agreements (PPAs) to customers who are connected to the national electricity grid.</p>		<p>Energy is sold to:</p> <ul style="list-style-type: none"> residential customers where the duration of the PPA is less than 10 years and the customer is able to terminate the agreement early and/or commercial customers. 	<p>Class remains open.</p>

Appendix A-2: Core exemption conditions

The following conditions apply under rule 153 of the Retail Rules to the ~~sale of energy to exempt customers by exempt persons~~ [deemed exemptions set out at Table 1](#) and the [registrable exemptions set out at Table 2 above](#). These are core conditions based on the retail customer protections provided under the ~~National Energy Retail Law~~ [\(Retail Law\)](#).

Not all of these conditions apply to all exemption classes. The specific obligations under each condition will vary from class to class and will depend on whether the class relates to residential or commercial/retail customers. Sellers should refer to the table at Appendix A-3 for the full list of conditions for their particular class in order to confirm their obligations.

Condition 1 – Obligation to supply

- 1 An exempt ~~person~~ [seller](#) cannot refuse to sell energy to a customer who meets the criteria for this exemption class, except:
 - a. in accordance with relevant disconnection provisions [under Conditions 9\(2\)–\(7\)](#), and
 - b. where the exempt customer’s premises have been disconnected by the exempt [seller](#) ~~person~~ for a reason other than failure to pay a bill and the matter leading to the disconnection has not been rectified. The exempt [seller](#) ~~person~~ must reconnect the premises and offer to sell energy once the matter is rectified.

Condition 2 – Information provision

- 1 The exempt [seller](#) ~~person~~ must advise exempt customers, in writing, at the start of their tenancy/residency/agreement of the following:
 - a. the legal name, trading name (if relevant) and contact details of the exempt seller
 - b. any right of the exempt customer, under state or territory laws, to elect to purchase energy from a retailer of their choice and information on the options for metering that would allow this choice. [The exempt seller must also provide an exempt customer who is also a residential customer, a hardcopy or electronic link to the AER customer factsheet *How to access retailers for your energy needs if you live in an embedded network* published on the AER’s website and as in force from time to time](#)
 - c. that the exempt [seller](#) ~~person~~ is not subject to all the obligations of an authorised retailer, and the exempt customer will not receive the same protections as it would if it were purchasing from an authorised retailer
 - d. the exempt customer’s rights in relation to dispute resolution including:
 - i. any right the exempt customer has to access the energy ombudsman scheme (if applicable), including to lodge a complaint or for free independent information and advice, or any other relevant external dispute resolution body in the state or territory in which the exempt customer is located, and
 - ii. the exempt [seller](#) ~~person~~’s procedures for handling complaints and disputes.
 - e. the conditions applicable to the exemption that the exempt [seller](#) ~~person~~ is operating under

- f. the availability of relevant government or non-government energy rebates, concessions and relief schemes
- g. the forms of assistance available if the exempt customer is unable to pay energy bills due to financial difficulty, as well as the process the exempt customer should follow to seek these forms of assistance. [The exempt seller must also provide an exempt customer who is also a residential customer, a hardcopy or electronic link to its hardship policy established in accordance with Condition 26](#)
- h. the energy tariffs and all associated fees and charges that will apply to the exempt customer in relation to the sale of energy
- i. the flexible payment options that are available to the exempt customer in relation to the sale of energy, such as arrangements for payment by periodic instalments (bill smoothing), [and](#)
- j. contact numbers in the event of a gas or electricity fault or emergency.

[2](#) The exempt ~~seller~~ ~~person~~ must provide [any or all](#) information set out in paragraph 1 of this condition ~~at any time~~ [as soon as practicable upon](#) request by the exempt customer or the AER.

[3](#) [The exempt seller must provide the information set out in paragraph 1b of this condition as soon as practicable, following an enquiry from an exempt customer seeking to access retail competition.](#)

Condition 3 – Billing and payment arrangements

- 1 An exempt ~~seller~~ ~~person~~ must ensure that bills are issued to each exempt customer at least once every three months.
- 2 An exempt ~~seller~~ ~~person~~ must offer at least two payment methods to an exempt customer. However, if an exempt ~~seller~~ ~~person~~ offers direct debit as one payment method, they must also offer at least two other payment methods to an exempt customer (that is, at least three methods in total). In each case, at least one of the payment methods offered must be able to be effected without internet access. For example:
 - a. in person
 - b. by telephone
 - c. by mail
 - d. by direct deposit into a bank account.
- 3 An exempt ~~seller~~ ~~person~~ must include the following particulars in a bill for an exempt customer:
 - a. the legal name, trading name (if relevant) and contact details of the exempt seller
 - b. the name of the exempt customer
 - c. the address of the exempt customer's premises
 - d. date that the account was issued
 - e. the identifier of the meter for the exempt customer's premises
 - f. the pay-by date for the bill

- g. date of the current meter reading or estimate, as applicable
- h. the dates to which the meter reading or estimate applies (billing period)
- i. current meter reading or estimate in kilowatt hours and/or cubic metres, as applicable. Where the amount is an estimate, this must be clearly stated on the bill
- j. previous meter reading or estimate in kilowatt hours and/or cubic metres, as applicable. Where the amount is an estimate, this must be clearly stated on the bill
- k. the amount of energy consumed, or estimated to be consumed, in the meter reading period. For electricity, consumption must be shown in kilowatt hours. For gas, consumption must be shown in cubic metres and mega joules and must note the heating value and pressure conversion factor that has been applied (these must be the same as those applied by the retailer from whom the exempt [seller person](#) purchases gas for the site)
- l. tariffs, fees and charges applicable to the exempt customer
- m. the basis on which tariffs, fees and charges are calculated. This includes:
 - i. the usage rate specified in cents per kilowatt hour (c/kWh) or cents per megajoules (c/MJ)
 - ii. the daily supply charge in cents per day (c/day) (if charged)
 - iii. the number of days in the billing cycle
- n. any amount deducted, credited or received under a government or non-government funded energy charge rebate, concession or relief scheme or under a payment arrangement
- o. details of the available payment methods
- p. a telephone number for account inquiries and complaints.

Condition 4 – Estimation as basis for bills

- 1 An exempt [seller person](#) must use best endeavours to ensure that the meter for each exempt customer is read and used as the basis, or apportioned, for any bill issued.
- 2 An exempt [seller person](#) cannot rely on an estimation of the meter value at the start of an energy supply arrangement with an exempt customer, or for the purpose of issuing a final bill to an exempt customer.
- 3 An exempt [seller person](#) may base an exempt customer's bill on an estimation of the exempt customer's consumption of energy where the exempt [seller person](#) is not able to reasonably or reliably base the bill on an actual meter reading.
- 4 Where an estimation is used as the basis for an exempt customer's bill, the estimation must be based on:
 - a. historical metering data for the exempt customer reasonably available to the exempt [seller person](#), or
 - b. where this is not available, the average usage of energy by a comparable customer over the corresponding period.

- 5 If a customer's bill is based on an estimation this must be clearly stated on the exempt customer's bill.

Condition 5 – Pay-by date

- 1 The pay-by date for a bill must not be less than 13 business days from the date on which the exempt ~~seller person~~ issues the bill.

Condition 6 – Receipts

- 1 An exempt ~~seller person~~ must provide each exempt customer with a receipt for any amount paid for energy, except where payment has been made by:
 - a. direct debit, or
 - b. credit card over the phone and the customer is provided with a receipt number.
- 2 An exempt ~~seller person~~ must provide the exempt customer with a separate receipt if a payment for energy was made together with a rent payment but has not been separately identified on the rent receipt.

Condition 7 – Pricing

- 1 An exempt ~~seller person~~ must not charge the exempt customer tariffs higher than the standing offer price that would be charged by the relevant local area retailer for new connections, if the local area retailer were to supply that quantity, or estimated quantity, of energy directly to the premises of the exempt customer.⁷⁰
- 2 An exempt ~~seller person~~ must provide notice to the exempt customer of any change in the exempt customer tariff as soon as practicable and no later than the exempt customer's next bill.
- 3 An exempt ~~seller person~~ must not impose any charge on an exempt customer that is not charged by the relevant local area retailer for new connections under a standard retail contract. A 'charge' includes, but is not limited to, account establishment fees, late payment fees, debt collection fees, disconnection and reconnection charges and security deposits.⁷¹ The amount of any allowable charge must not be greater than that charged under the relevant local area retailer's standard retail contract.

Condition 8 – Undercharging and overcharging

- 1 Where an exempt customer has been undercharged, an exempt ~~seller person~~ can recover the amount undercharged subject to the following:
 - a. where the undercharging was not the result of the exempt customer's fault or unlawful act or omission, the exempt ~~seller person~~ is limited to recovering the amount

⁷⁰ The standing offer price includes the supply price and the usage price. Exempt sellers must ensure that the price they charge for each of these parts does not exceed the price charged for the equivalent part of the standing offer.

⁷¹ The fees and charges allowable under a standard retail contract are governed by Division 6 of the National Energy Retail Rules (which sets out the requirements for charging a security deposit under a standard retail contract) and may also be governed by jurisdictional legislation.

undercharged in the 9 months before the date on which the exempt customer is notified of the undercharging

- b. the exempt ~~seller~~person cannot charge interest on the undercharged amount
 - c. the exempt ~~seller~~person must offer the exempt customer time to pay the undercharged amount by instalments, over a period nominated by the customer (up to 12 months, but no longer than the period of the undercharging).
- 2 Where an exempt customer has been overcharged, an exempt ~~person~~seller must inform the exempt customer within 10 business days after becoming aware of the overcharging and repay the amount overcharged subject to the following:
- a. where the amount overcharged is ~~\$25~~50 (or such other amount as the AER determines) or more, the exempt ~~seller~~ person must refund the amount to the exempt customer if requested, or if no such request is made, credit the amount to the exempt customer's next bill. Where the exempt customer no longer purchases energy from the exempt ~~seller~~person, the exempt ~~seller~~ person must use best endeavours to refund the amount within 10 business days
 - b. where the amount overcharged is less than ~~\$25~~50 (or such other amount as the AER determines), the exempt ~~seller~~ person must credit that amount to the exempt customer's next bill. Where the exempt customer no longer purchases energy from the exempt ~~seller~~person, the exempt ~~seller~~ person must use best endeavours to refund the amount with 10 business days
 - c. no interest is payable on the overcharged amount
 - d. where the overcharging was the result of the exempt customer's fault or unlawful act or omission, the exempt ~~seller~~ person is limited to repaying the amount overcharged in the 12 months before the date on which the error was discovered.

Condition 9 – Payment difficulties and disconnection or de-energisation

- 1 Where an exempt customer informs the exempt ~~seller~~ person that they are unable to pay energy bills due to financial difficulty, the exempt ~~seller~~person must:
 - a. offer the exempt customer a payment plan (~~subject in accordance with the requirements of~~ ~~to~~ Condition 12), and
 - b. direct the exempt customer to the Australian government energy efficiency website or another information resource with energy efficiency advice, and
 - c. ~~ensure that~~give the exempt customer ~~is aware of~~information about relevant government or non-government energy rebates, concessions and relief schemes, and
 - d. give the exempt customer information about financial counselling services, and
 - e. provide the exempt customer a hardcopy or electronic link to its hardship policy established in accordance with Condition 26, and
 - f. not charge the exempt customer a late payment fee, and
 - g. not charge the exempt customer a security deposit, and

- d.—
- 2 Subject to Conditions [10](#) and [26](#), an exempt [seller person](#) must not proceed with disconnection or cessation of energy supply to an exempt customer unless the following requirements have been met:
 - a. the exempt customer has requested disconnection, or
 - b. continuity of supply to the premises would be unsafe, or
 - c. the exempt customer's tenancy/residency/agreement has ended and the exempt customer is vacating the premises, or
 - d. the exempt customer has not paid a bill by the pay-by date, and has not agreed to a payment plan, or having agreed to a payment plan has failed to adhere to the plan and:
 - i. following non-payment by the pay-by date, the exempt [seller person](#) has given the exempt customer a reminder notice requesting payment by a date at least 6 business days from the date of issue of the reminder notice, and, in the case of residential exempt customers, has offered the exempt customer more flexible payment terms to pay any amount outstanding and has restated the forms of assistance available if the non-payment is due to financial difficulty, and
 - ii. following non-payment by the date specified in the reminder notice, or, in the case of residential customers, the establishment of more flexible payment terms, the exempt [seller person](#) has given the exempt customer a disconnection warning notice informing the exempt customer that disconnection may occur if payment of the outstanding bill is not made by a date at least 6 business days from the date of issue of the warning notice, and
 - iii. the exempt [seller person](#) has, after issuing the disconnection warning notice, used its best endeavours to contact the customer in person or by telephone in connection with the failure to pay, and
 - iv. the exempt customer has, by the date specified in the disconnection warning notice, refused or failed to take any reasonable action towards settling the debt.
 - 3 A reminder warning issued pursuant to condition 9(2)(d)(i) must:
 - a. state the date of its issue, and
 - b. state the date on which the reminder notice period ends, and
 - c. include details of the exempt seller's telephone number for complaints and disputes.
 - 4 A disconnection warning notice issued pursuant to condition 9(2)(d)(ii) must:
 - d. state the date of its issue, and
 - e. state the date on which the disconnection warning period ends, and
 - f. inform the exempt customer of applicable re-connection procedures and (if applicable) that a charge will be imposed for reconnection, and
 - g. include details (where applicable) of the existence and operation of the energy ombudsman, including contact details, and
 - h. include contact details for the exempt seller.

- 5 Where an exempt customer is disconnected in accordance with paragraph 2(b) of this condition, the exempt ~~seller person~~ must use its best endeavours to notify the exempt customer in person or by telephone prior to the disconnection, and must arrange for reconnection of the premises as soon as practicable.
- 6 This condition does not apply where state or territory legislation sets out the process and requirements for the disconnection or cessation of energy supply by the exempt ~~seller person~~ on the basis that they are a landlord, body corporate or similar.
- 7 This condition does not apply to interruptions under conditions 18 and 19.

Condition 10 – When disconnection or de-energisation is prohibited

- 1 An exempt ~~seller person~~ must not disconnect or cease energy supply to an exempt customer's premises where:
 - a. a person residing at the exempt customer's premises requires life support equipment that depends on energy for its operation, or
 - b. an application has been made by or on behalf of the exempt customer for assistance to an organisation responsible for a rebate, concession or relief available under any government or non-government funded energy charge rebate, concession or relief scheme and a decision on the application has not been made, or
 - c. the exempt customer has made a complaint directly related to the proposed reason for disconnection or de-energisation to the exempt ~~seller person~~, the energy ombudsman or another relevant external dispute resolution body and the complaint remains unresolved, or
 - d. the disconnection or de-energisation would occur on:
 - i. a business day before 8 am or after 3 pm, or
 - ii. a Friday or the day before a public holiday, or
 - iii. a weekend or a public holiday, or
 - iv. the days between 20 December and 31 December (inclusive) in any year.
- 2 For electricity, the exempt ~~seller person~~ must contact its distributor to ask whether disconnection of a retail customer in the relevant jurisdiction would be prohibited on that day due to extreme weather conditions. Where the distributor confirms that the disconnection of a retail customer would be prohibited on that day, the exempt ~~seller person~~ must not disconnect the exempt customer's premises.
- 3 This condition does not apply where the exempt customer has requested disconnection.
- 4 This condition does not apply where continuity of supply to the premises would be unsafe.
- 5 This condition does not apply where the energy supply agreement between the exempt ~~seller person~~ and exempt customer has been terminated.

Condition 11 – Reconnection or re-energisation

1. Where an exempt customer is disconnected in accordance with conditions 9 and 10 and the customer makes a request for reconnection, the exempt ~~seller person~~ must reconnect the premises as soon as practicable after a request for reconnection is made. A request for reconnection may be made ten business days after disconnection, or as soon as the matter that led to the disconnection is rectified, and
 - a. any charges for reconnection are paid, and
 - b. if the exempt customer still has outstanding amounts owed under the exempt customer's energy account, the customer agrees to enter into a payment plan with the exempt seller.^{72 73}
2. Subject to condition 11(1), the exempt ~~seller person~~ must reconnect the premises (or, where required, arrange with the distributor to reconnect the premises) as soon as practicable, and no later than two business days from when the request was made.
3. Subject to condition 11(1), the exempt ~~seller person~~ cannot refuse to supply an exempt customer on the grounds that they owe outstanding amounts on their energy account.

Condition 12 – Payment plans

1. An exempt ~~seller person~~ must offer flexible energy payment options, including a payment plan, to an exempt customer who has identified themselves as being in financial difficulty. ~~Flexible payment options may include arrangements for a payment plan.~~
2. In establishing a payment plan the exempt seller must have regard to:
 - a. the exempt customer's capacity to pay, and
 - b. any outstanding amounts owed by the exempt customer, and
 - c. the exempt customer's expected energy consumption needs over the following 12-month period or the duration of their tenancy/residency/agreement if the tenancy/residency/agreement is less than 12 months.
3. An exempt seller who offers a payment plan to an exempt customer under this condition must inform the exempt customer of:
 - a. the duration of the plan, and
 - b. the amount of each instalment payable under the plan, the frequency of instalments and the date by which each instalment must be paid.
4. This condition does not apply where the exempt customer has:
 - a. had two payment plans cancelled by the exempt ~~seller person~~ in the previous 12 months due to non-payment, or
 - b. been convicted of an offence involving illegal use of energy in the previous two years.

⁷² The requirement for exempt customers to wait 10 days before requesting reconnection does not preclude an exempt seller from reconnecting prior to this date where it is directed to do so under jurisdictional legislation.

⁷³ The AER recommends that exempt sellers consider the [AER Sustainable Payment Plans Framework](https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/aer-sustainable-payment-plans-framework) when agreeing a payment plan with an exempt customer. The framework can be found at <https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/aer-sustainable-payment-plans-framework>

5 An exempt seller ~~person~~ must not make changes to an exempt customer's payment plan without their agreement.

Condition 13 – Concessions and rebates

- 1 Where an exempt customer is eligible to receive a government or non-government energy rebate, concession or assistance under a relief scheme, the exempt seller ~~person~~ must not hinder an exempt customer's attempts to establish eligibility.
- 2 If the government or non-government energy rebate, concession or assistance under a relief scheme can only be claimed by the exempt seller ~~person~~ on behalf of the eligible exempt customer, then, assuming there is no legal impediment, the exempt seller ~~person~~ must make that claim and, if successful, must apply the rebate, concession or assistance to the exempt customer's next bill.

Condition 14 – Choice of retailer

- 1 Where an exempt customer is eligible under state or territory legislation to purchase energy from a retailer of their choice, the exempt seller ~~person~~ must not do anything to discourage or prevent them from exercising this choice, whether by:
 - a. requiring the exempt customer to waive their ability to choose a retailer, or
 - b. unreasonably hindering their efforts to find another retailer, or
 - c. unreasonably hindering any metering or network changes required to enable choice of retailer.

Condition 15 – Contact details

- 1 An exempt seller ~~person~~ must provide a means of contact for account inquiries and complaints that can be readily accessed by exempt customers. Where a telephone number is provided, the charge for this call must be no more than the cost of a local call.

Condition 16 – Dispute resolution

- 1 An exempt seller ~~person~~ must develop and make a set of procedures detailing the exempt seller ~~person~~'s procedures for handling complaints and disputes, and those procedures must be provided to exempt customers in accordance with condition 2(1)(d)(i).
- 2 The procedures must be consistent with the Australian Standards, AS/NZS 10002:2014 ~~Guidelines for complaint management in organizations~~ as amended and updated from time to time.
- 3 In the event of a complaint or dispute concerning the sale of energy to an exempt customer, ~~and in the absence of a determination of the relevant tenancy tribunal if the customer is a tenant,~~ the exempt seller ~~person~~ must:
 - a. deal with the complaint or dispute in accordance with the exempt seller ~~person~~'s procedures for handling complaints and disputes, and
 - b. make reasonable endeavours to resolve the dispute, and
 - c. advise the exempt customer:

- i. of any right the exempt customer has to access an energy ombudsman (if applicable), including to lodge a complaint or for free independent information and advice, or any other external dispute resolution body in the state or territory where the exempt customer is located, and
- ii. of the telephone number and other contact details of the energy ombudsman (if applicable).

Condition 17 – Member of energy ombudsman scheme

- 1 An exempt ~~seller person~~ must, if permitted by an energy ombudsman scheme:
 - a. be a member of, or subject to, an energy ombudsman scheme for each jurisdiction where it sells energy to exempt customers, and
 - b. comply with the requirements of that scheme.

Condition 18 – Planned interruptions to supply

- 1 For planned interruptions, the exempt seller must notify each affected exempt customer at least two business days before the date of the interruption.
- 2 The notification must:
 - a. specify the expected date, time and duration of the interruption, and
 - b. include a telephone number for enquiries (the charge for which is no more than the cost of a local call), and
 - c. include a statement that any enquiries regarding planned interruptions are to be directed to the exempt seller.
- 3 The exempt seller must use its best endeavours to restore the exempt customer's supply as soon as possible.

Condition 19 – Unplanned interruptions to supply

1. In the case of an unplanned interruption, the exempt seller must:
 - a. within 30 minutes of being advised of the interruption, or otherwise as soon as practicable, make available information on the nature of the interruption and an estimate of the time when supply will be restored or when reliable information on restoration of supply will be available, and
 - b. if providing a telephone response that is automated, provide options for exempt customers who call the service to be directly connected to a telephone operator if required, and
 - c. use its best endeavours to restore supply to affected exempt customers as soon as possible.

Condition 20 – Life support customers

- 1 Where an exempt customer provides an exempt ~~seller person~~ with confirmation from a registered medical practitioner that a person residing at the exempt customer's premises requires life support equipment, the exempt ~~person~~-seller must:

- a. advise the person whose embedded distribution network the sale of energy is occurring within (if different from the exempt [seller person](#)) that a person residing at the premises requires life support equipment, and
 - b. advise the exempt [seller person](#)'s authorised retailer and distributor that a person residing at the premises requires life support equipment, and
 - c. provide the exempt [seller person](#)'s authorised retailer and distributor with any relevant information about the premises for the purposes of updating their records and registers.
- 2 An exempt [seller person](#) must maintain records of any exempt customers who have life support equipment that depends on energy for its operation on their premises.

Condition 21 – Continuity of supply

- 1 ~~An if an exempt [seller person](#) must notify the exempt customers and the AER immediately if they are is~~ (or expects to be) disconnected, or there is any likelihood that they will be unable to continue selling energy, they must notify the exempt customers and the AER immediately and advise of the steps they are taking to arrange an alternative supply.

Condition 22 – Termination of energy supply agreement

- 1 An energy supply agreement between the exempt [seller person](#) and an exempt customer will terminate:
- a. on a date agreed by the exempt [seller person](#) and exempt customer, or
 - b. five business days (or a different time agreed by the exempt [seller person](#) and exempt customer) from the date when the exempt customer gives the exempt [seller person](#) a termination notice, or
 - c. at the conclusion of the exempt customer's lease for, or occupancy of, the premises to which the energy is supplied, or
 - d. when the exempt customer starts receiving energy retail services from a different retailer or exempt [seller person](#), or
 - e. when a different exempt customer starts receiving customer retail services for the premises, or
 - f. at the end of a period of 10 business days commencing on the day the exempt customer's premises are disconnected, where the conditions for reconnection have not been met.
- 2 Termination of an arrangement to supply energy does not affect any rights or obligations that have already accrued under the agreement.

Condition 23 - Maintaining records

- 1 An exempt [seller person](#) must maintain records of the following for each of its exempt customers:
- a. the name of the exempt customer

- b. the address of the exempt customer's premises
- c. the identifier of the meter for the exempt customer's premises (if applicable)
- d. the date that the customer account was created
- e. copies of any bills issued for the previous 12 months
- f. the date of the most recent meter read for the customer (if applicable), and
- g. the basis for determining any estimates of consumption for the purpose of billing where a meter read could not be obtained.

Condition 24 – Information provision for exempt customers of power purchase agreement providers

1. An exempt ~~seller person~~ must provide the exempt customer in writing a plain English notice explaining that the power purchase agreement is covered by Australian consumer protection laws and is separate to the exempt customer's contract with their retailer and distributor which are covered under the National Energy Retail Law.

Condition 25 – Exemption limited to the sale of electricity through power purchase agreements

1. An exempt ~~seller person~~ must:
 - a. refrain from registering in the wholesale market for the purposes of purchasing energy, and
 - b. not be the financially responsible retailer for the premises (rather, this must be an authorised retailer).

Condition 26 – Hardship policy

- 1 An exempt seller must develop, implement, maintain, and comply with, a plain English hardship policy for their residential exempt customers that contains at a minimum, the standardised statements provided in the AER's Exempt Seller Hardship Policy template published on the AER's website and as in force from time to time.
- 2 An exempt seller's hardship policy must be implemented no later than 3 months from the exemption registration/approval date to which this condition applies.
- 3 An exempt seller's residential exempt customer hardship policy must include:
 - a. processes for the early response by the exempt seller in the case of residential exempt customers identifying themselves as experiencing payment difficulties due to hardship,
 - b. flexible payment options (including payment plans) for the payment of energy bills by residential exempt customers experiencing hardship,
 - c. processes for notifying residential exempt customers experiencing hardship of appropriate government concession programs and appropriate financial counselling services, and

- d. processes to assist residential exempt customers with strategies to improve their energy efficiency.
- 4 An exempt seller's hardship policy must not include unreasonable conditions that a residential exempt customer has to meet before being eligible for hardship support, including that the exempt customer must:
 - a. attend financial counselling
 - b. be represented by a third party such as a financial counsellor
 - c. submit to an energy audit
 - d. make a one-off payment or make a certain number of instalments towards their debt, or
 - e. pay their bills on time.
- 5 An exempt seller's customer hardship policy must specify that the exempt seller:
 - a. will take into account all of the circumstances of the residential exempt customer, and having regard to those circumstances, act fairly and reasonably, and
 - b. will provide a customer who is entitled to receive assistance under the exempt seller's customer hardship policy with that assistance, in a timely manner.
- 6. If an exempt seller deems a residential exempt customer to be ineligible for hardship assistance, the exempt seller must provide the residential exempt customer the reasons why.

Appendix A-3: Exemption class conditions

Table 3 – Exemption class conditions

Condition	Class: Deemed									
	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10
1 Obligation to supply	✓	✓	✓	N/A	✓	✓		N/A	✓	✓
2 Information provision	N/A: 1 (f), (g), (i)	✓	N/A: 1 (b)-(g), (i)	N/A	N/A: 1 (b), (c), (f), (g)	✓		N/A	N/A: 1 (b), (d), (e) , (f) , (h)	N/A: 1 (e), (f) , (h)
3 Billing and payment arrangements	N/A: 3n	✓	N/A: 3 (b)-(e), (g), (i), (j), (n)	N/A	N/A: 3 (e), (i), (j), (n)	N/A: 3 (e), (i), (j)		N/A	N/A	N/A: 3n
4 Estimation as basis for bills	✓	✓	✓	N/A	N/A	N/A		N/A	N/A	✓
5 Pay-by-date	✓	✓	N/A	N/A	✓	✓		N/A	N/A	✓
6 Receipts	✓	✓	✓	N/A	✓	✓		N/A	✓	✓
7 Pricing	✓	✓	✓	N/A	✓	✓		N/A	N/A	✓
8 Undercharging and overcharging	✓	✓	N/A	N/A	✓	✓		N/A	N/A	✓

Condition	Class: Deemed									
	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10
9 Payment difficulties and disconnection or de-energisation	N/A: 1.(a),(d),(e)	✓	N/A	N/A	N/A	✓		N/A	N/A	N/A: 1.(a),(d),(e)
10 When disconnection or de-energisation is prohibited	N/A: 1 (a), (b)	✓	N/A	N/A	N/A	✓		N/A	N/A	N/A: 1 (a), (b)
11 Reconnection or re-energisation	✓	✓	N/A	N/A	N/A	✓		N/A	✓	✓
12 Payment plans	N/A: 1	✓	N/A	N/A	N/A	✓		N/A	N/A:1	N/A:1
13 Concessions and rebates	N/A	✓	N/A	N/A	N/A	✓		N/A	N/A	N/A
14 Choice of retailer	✓	✓	N/A	N/A	N/A	✓		N/A	N/A	✓
15 Contact details	✓	✓	N/A	N/A	✓	✓		N/A	✓	✓
16 Dispute resolution	✓	✓	N/A	N/A	✓	✓		N/A	✓	✓
17 Member of energy ombudsman scheme	N/A	✓	N/A	N/A	N/A	✓		N/A	N/A	N/A
18 Planned interruptions to supply	✓	✓	N/A	N/A	N/A	✓		N/A	N/A	✓

Condition	Class: Deemed									
	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10
19 Unplanned interruptions to supply	✓	✓	N/A	N/A	N/A	✓		N/A	N/A	✓
20 Life support customers	N/A	✓	N/A	N/A	N/A	✓		N/A	N/A	N/A
21 Continuity of supply	✓	✓	N/A	N/A	N/A	✓		N/A	N/A	✓
22 Termination of energy supply agreement	✓	✓	N/A	N/A	✓	✓		N/A	✓	✓
23 Maintaining records	✓	✓	N/A	N/A	N/A	✓		N/A	N/A	✓
24 Information provision for exempt customers of PPA providers	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
25 Exemption limited to the sale of electricity through PPAs	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
26 Hardship policy	N/A	✓	N/A	N/A	N/A	✓		N/A	N/A	N/A

Conditions	Class: Registrable							
	R1	R2	R3	R4	R5	R6	R7	R8
1 Obligation to supply	✓	✓	✓	✓	✓	✓	✓	N/A
2 Information provision	N/A: 1 (f), (g), (i)	✓	✓	✓	N/A	N/A: 1 (f), (g), (i)	N/A: 1 (f), (g), (i)	N/A
3 Billing and payment arrangements	N/A: 3 (n)	✓	✓	✓	N/A	N/A: 3 (n)	N/A: 3 (n)	N/A
4 Estimation as basis for bills	✓	✓	✓	✓	N/A	✓	N/A	N/A
5 Pay-by-date	✓	✓	✓	✓	N/A	✓	✓	N/A
6 Receipts	✓	✓	✓	✓	N/A	N/A: 2	✓	N/A
7 Pricing	✓	✓	✓	✓	N/A	✓	✓	N/A
8 Undercharging and overcharging	✓	✓	✓	✓	N/A	✓	✓	N/A
9 Payment difficulties and disconnection or de-energisation	N/A: 1(a), (d), (e)	✓	✓	✓	N/A	N/A: 1(a), (d), (e)	N/A: 1(a), (d), (e)	N/A
10 When disconnections or de-energisation is prohibited	N/A: 1 (a), (b)	✓	✓	✓	N/A	N/A: 1 (a), (b)	N/A: 1 (a), (b)	N/A

Conditions	Class: Registrable							
	R1	R2	R3	R4	R5	R6	R7	R8
11 Reconnection or re-energisation	✓	✓	✓	✓	✓	✓	✓	N/A
12 Payment plans	N/A: 1	✓	✓	✓	N/A:1	N/A: 1	N/A: 1	N/A
13 Concessions and rebates	N/A	✓	✓	✓	N/A	N/A	N/A	N/A
14 Choice of retailer	✓	✓	✓	✓	✓	✓	✓	N/A
15 Contact details	✓	✓	✓	✓	N/A	✓	✓	N/A
16 Dispute resolution	✓	✓	✓	✓	N/A	✓	✓	N/A
17 Member of energy ombudsman scheme	N/A	✓	✓	✓	N/A	N/A	N/A	N/A
18 Planned interruptions to supply	✓	✓	✓	✓	N/A	✓	✓	N/A
19 Unplanned interruptions to supply	✓	✓	✓	✓	N/A	✓	✓	N/A
20 Life support customers	N/A	✓	✓	✓	N/A	N/A	N/A	N/A

Conditions	Class: Registrable							
	R1	R2	R3	R4	R5	R6	R7	R8
21 Continuity of supply	✓	✓	✓	✓	✓	✓	✓	N/A
22 Termination of energy supply agreement	✓	✓	✓	✓	N/A	✓	✓	N/A
23 Maintaining records	✓	✓	✓	✓	N/A	✓	✓	N/A
24 Information provision for exempt customers of PPA providers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓
25 Exemption limited to the sale of electricity through PPAs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓
26 Hardship policy	N/A	✓	✓	✓	N/A	N/A	N/A	N/A

Appendix B: Applying for an individual exemption application (other than PPA providers)

Part 1: General information requirements

Please provide the ~~following~~ below information in your application for an individual exemption: Where a third party is submitting the application on your behalf, a statement or letter verifying that the third party has the authority to act on your behalf must be provided in addition to the required information below.

- 1 Your legal name⁷⁴. If you are a body corporate or community corporation, please indicate this.
- 2 Your trading name, if different to your legal name.
- 3 Your Australian Business Number (ABN) or Australian Company Number (ACN). You can check if your ABN or ACN matches the legal name you have provided via the ABN Lookup website or ASIC Connect website respectively.
- 4 Your registered postal address ~~for correspondence~~. We may verify this information with the Australian Securities and Investments Commission (ASIC) or ~~other~~ another relevant agency.
- 5 A nominated contact person, including their position in the organisation and contact details.
- 6 Why you are seeking an individual exemption, and why you consider an individual exemption (~~rather than a retailer authorisation~~) is appropriate to your circumstances (rather than a retailer authorisation or registrable class exemption).
- 7 The site address ~~of the site at which~~ where you intend to sell energy, including a map of the site and a brief description of this site and its current and future intended use/s.
- 8 The primary activity of your business (for example, managing a shopping centre or managing residential accommodation).
- 9 The *form* of energy for which you are seeking the individual exemption (electricity or gas, or both). For electricity, ~~please~~ state whether the relevant network ~~you propose to sell~~ is directly or indirectly connected to the main grid or is (or will be) an off-grid network.
- 10 ~~Are~~ Whether you are establishing, or have ~~you~~ established, energy supply in an area where there are no other viable energy supply arrangements available ?
- 11 The date from which you intend to ~~commence~~ start selling energy.
- 12 Mailing addresses for premises at the site (where applicable). We may use this information to ensure that potential customers are able to participate in our consultation process.

⁷⁴ The applicant must be a legal person, for example an individual, company, corporation or body corporate. A trust is not a legal person and cannot hold an exemption. If you are seeking an exemption for a trust, a trustee must apply.

- 13 Details of ~~any experience in your (or your agent's) energy~~ -selling ~~energy~~ experience, for example:
- date/s and location/s of previous operations
 - form/s of energy sold
 - scale of operations (the number, size and type of customers)
 - an explanation of which activities will be conducted in-house and which will be contracted out to third parties.
- 14 Whether you currently hold; or have previously held; or been refused; or been subject to an energy selling exemption or a retail licence (retailer authorisation) in any state or territory. If so, please provide details (including any relevant AER reference number/s).
- 15 ~~What~~ Whether you have made arrangements ~~you have made~~ in the event that you can no longer continue supplying energy (e.g. ~~has whether~~ the retailer that sells to you has agreed that they will service the customers?).~~:-~~

Part 2: Particulars relating to the nature and scope of the proposed operations

To determine whether it is appropriate to exempt you from the requirement to hold a retailer authorisation, we need information on the nature and scope of the proposed operations ~~you propose to conduct~~.

Please answer the following questions:

- 4516 Will your customers be your tenants? If so, are they residential or commercial/retail?
- 4617 ~~Are~~ Will you be providing other services, aside from energy, to persons on the site (for example, accommodation/leasing of property) ~~to persons on the site who you intend to sell energy to? Or will your only commercial relationship to persons on the site be the sale of energy?~~ Yes, please specify what these services ~~are~~, and the contractual or leasing arrangements under which you are providing these services ~~them are being provided~~.
- 18 What is the total number of customers at the site? Please provide a breakdown between residential ~~and~~ business retail and commercial customers (and include whether they are small or large, as defined for the jurisdiction in which you intend to operate).
- 4719 Will any customers be 'wired out' of the embedded network (i.e. because they did not consent to the network conversion)? If so, please provide the number of such customers, broken down between residential, retail and commercial customers (include whether they are small or large, as defined in the jurisdiction in which you intend to operate). Note: This question only applies to retrofit applications.
- 4820 Will you be on-selling energy ~~(that is, selling energy~~ purchased from an authorised retailer) or purchasing it directly from the wholesale market?
- 4921 What is the estimated annual aggregate ~~annual~~ amount of energy you are likely to sell (kilowatt hours or megawatt hours for electricity and mega joules or gigajoules for gas) and the average expected consumption of customers for each type of customer you service ~~(that is, residential customers and~~ retail or commercial customers)?

~~20~~22 Will your customers be wholly contained within a site owned, controlled or operated by you (for the purposes of this question, a body corporate may be taken to 'operate' premises it oversees)?

~~21~~23 Will each premises/dwelling be separately metered? If ~~the application is for a new~~not, ~~and the application is for a new~~ development ~~or a /redevelopment~~retrofit and ~~customers will not be separately metered,~~ please explain why not ~~not~~ and how. ~~For unmetered supply, state you intend to determine~~how you will determine energy charges?

~~22~~24 Will meters allow your customers to change retailers (i.e. not buy their energy from you) as required by the *Network Exemptions Guideline*? Please specify the types of meters to be installed at the site.

~~23~~25 In what form, and how often, will you bill your customers ~~be billed~~? Will you be issuing bills yourself or through a billing agent?

26 What dispute resolution procedures do you intend to put in place to deal with ~~energy~~ energy-related complaints and issues? Confirm ~~whether it is that your dispute resolution policy is~~ consistent with the Australian Standards, as amended from time to time. Please provide a copy of the relevant policy.

~~24~~27 Are you a member of a recognised energy industry ombudsman scheme in the jurisdiction/s in which you intend to on-sell energy to residential customers? If not, have you taken steps to become a member? Please provide supporting evidence or explain steps taken to obtain membership. Supporting evidence should include an ombudsman membership application reference number if attainable from the relevant ombudsman.

~~25~~28 ~~Please provide~~Do you have ~~provide~~ any further information that ~~you consider~~ would assist us to assess your application ~~?~~

Part 3: Converting embedded networks (retrofitting)

If you are planning to sell energy through a converted embedded network, your application needs to also address ~~all the following~~ questions ~~in Parts 1 and 23~~, as well as the ~~questions and information requests at 30 to 39 below.~~

~~Before completing this section you should refer to sections 4.4 and 7.2.1 of this guideline.~~

Provision of information

You must ~~confirm you have~~provide evidence in your application that ~~consumers you have supplied prospective customers~~have been provided with easily accessible the following written information ~~that~~explaining:

~~26~~29 ~~that you are planning proposing~~ to retrofit the site as an embedded network, ~~and this which will require~~requires metering changes and the pros and cons of being an embedded network customer; and

~~27~~30 customers retain the right to contract with a retailer of choice even after inclusion in the embedded network (except where this right does not exist due to jurisdictional legislation); and

~~2831~~ ~~in order to~~ exercise their right to a retailer of choice, customers may need to enter into an ‘energy only’ contract, which is offered at retailers’ discretion and may be difficult to obtain; and

~~2932~~ customers in embedded networks may not receive the same protections as those of an authorised retailer under the Retail Law, ~~including access to ombudsman schemes.~~

In addition, you ~~need to confirm that~~ must provide evidence in your application you have provided customers with:

~~3033~~ your electricity sales agreement, which details all fees and tariffs; and

~~3134~~ contact details of a representative from your company to answer any queries or concerns about the ~~planned~~ proposed retrofit.

~~In your application you need to include samples of the information you have provided to consumers.~~

Explicit informed consent

To demonstrate that you have obtained customer consent you need to:

~~35~~ provide evidence of the explicit informed consent.

~~3236~~ ~~confirm you have evidence of written consent from all customers affected by the retrofit~~ confirm the explicit informed consent percentage calculation for total customers affected by the proposed retrofit, and

~~37~~ confirm that ~~consent was sought~~ you sought consent separately from customers for the proposed retrofit and the energy sale agreement, and

~~38~~ provide dated records of consultation and meetings with all customers affected by the proposed retrofit, identifying and recording any non-consent and the reasons for non-consent, and

~~39~~ provide evidence of your attempts to resolve any customer concerns relating to the proposed retrofit. ~~them.~~

The *Network Exemptions Guideline* provides further detail on explicit informed consent calculation requirements at clause 4.9.7.

~~You do not need to provide evidence of customers’ consent to the proposed retrofit in the initial application, but evidence should be available on request.~~

Retail contestability

To demonstrate you have addressed any potential customer detriment resulting from a loss of retail contestability, you must confirm whether you have:

~~3340~~ sought advice from the distributor about whether non-consenting customers can be wired out of the embedded network. Please provide evidence of advice sought/received and details of any available ‘wiring out’ options, and

~~3441~~ taken steps to ensure customers who wish to remain with their retailer, but cannot be wired out, will not be financially disadvantaged by the retrofit. Measures to reduce financial detriment are likely to include price matching for affected customers, and taking financial responsibility for any double billing of network charges.

Customer dispute resolution services

~~3542 Have you~~ Provide evidence that you have advised customers of your dispute resolution process and the available options for external dispute resolution, such as ombudsman schemes~~?. For individual exemptions relating to retrofits, we will assess the need for ombudsman scheme membership on a case-by-case basis.~~

Clause 4.9 of the Network Exemptions Guideline

43 You must agree to observe conditions 4.9.1 to 4.9.7 of the Network Exemptions Guideline.

AER Consultation

- 44 You must confirm you have advised ~~consumers~~customers of the AER's consultation process. In particular, you must make ~~consumers~~customers aware that the AER will:
- ~~the AER~~ consults on individual exemption applications
 - ~~and will~~ publish your application on its website ~~and~~
 - ~~will~~ invite public submissions on your application from interested stakeholders. ~~and~~
 - ensure that the public consultation period runs for at least 20 business days.

Information about the AER's public consultation process is available on its website: <https://www.aer.gov.au/retail-markets/retail-exemptions/making-a-submission-to-an-individual-retail-exemption-application>).

Appendix C: Applying for an individual exemption for power purchase providers only

General information requirements

Please provide the following information in your application for the grant of an individual exemption:

- 1 Your legal name. If you are a body corporate or community corporation, please indicate this.
- 2 Your trading name if different to your legal name.
- 3 [Your Australian Business Number \(ABN\) or Australian Company Number \(ACN\). You can check if your ABN or ACN matches the legal name you have provided via the ABN Lookup website or ASIC Connect website respectively.](#)
- 4 [Your Registered postal address for correspondence.](#) We may verify this information with the Australian Securities and Investments Commission (ASIC) or other relevant agency.
- 5 Nominated contact person, including their position in the organisation and contact details.
- 6 [Why you are seeking an individual exemption, and why you consider an exemption is appropriate to your circumstances \(rather than a retailer authorisation\).](#) ~~Why you are seeking an individual exemption, and why you believe that an exemption (rather than a retailer authorisation) is appropriate to your circumstances.~~
- 7 The primary activity of your business (for example, managing a shopping centre).
- 8 Whether you intend to sell electricity to customers connected to the grid or who are off-grid.
- 9 The date from which you intend to ~~commence~~ [start](#) selling energy.
- 10 [Details of your energy selling experience, for example:](#) ~~Details of any experience in selling energy, for example:~~
 - date/s and location/s of previous operations
 - scale of operations (that is, the number, size and type of customers)
 - an explanation of which activities will be conducted in-house and which will be contracted out to third parties.
- 11 Whether you currently hold; or have previously held; [or been refused;](#) or been subject to; an energy selling exemption or a retail licence (retailer authorisation) in any state or territory. If so, please provide details.

Particulars relating to the nature and scope of the proposed operations

To determine whether it is appropriate to exempt you from the requirement to hold a retailer authorisation, we need information [and related documentation](#) on the nature and scope of the operations you propose to conduct. Please answer the following questions:

- 1 [Will you be providing other services, aside from energy, to persons on the site \(for example, accommodation/leasing of property\) or will your only commercial relationship to](#)

persons on the site be the sale of energy? If yes, specify these services, and the contractual or leasing arrangements under which you are providing them.

- ~~1~~ Are you providing other services (for example, accommodation/leasing of property) to persons on the site to whom you intend to sell energy? Or will your only commercial relationship to persons on the site be the sale of energy? If you are providing other services, please specify what these services are, and the contractual or leasing arrangements under which these services are being provided.
- 2 In what form and how often will customers be billed? Will you be issuing bills yourself or through a billing agent?
- 3 What dispute resolution procedures do you intend to put in place to deal with energy-related complaints and issues? Confirm that your dispute resolution policy is consistent with the Australian Standards, as amended from time to time. Please provide a copy of the relevant policy.
- ~~3~~ What dispute resolution procedures do you intend to put in place to deal with energy related complaints and issues?
- ~~4~~ Please provide any further information that you consider would assist us to assess your application.
- 54 Please describe your business model ~~in some detail~~, noting jurisdictions where you will be operating, and customer number forecasts for the first 3 years.
- 65 What is your pricing structure ~~will?~~ Will you charge for energy only or are there other fees? Will you charge only for energy consumed or for all energy generated?
- 76 Are there any related companies and if so, what is their function? Do you intend to transfer any functions to related companies and, if so, which functions?
- 87 Do you intend to use fixed term contracts and, if so, how long will they be?
- 98 Under what circumstances can the customer terminate the agreement and at what cost?
- ~~10~~9 What happens when the contract ends? Who owns the system?
- 10 Who will own any green energy certificates or rebates, including feed-in tariffs, which apply to the generation system?
- 11 Do you have any further information that would assist us to assess your application?

Appendix D: Applicants seeking to vary an individual exemption

Individual exemption variations may be required where the nature of your energy on-selling arrangement has changed at the site for which you have been granted the exemption.

We cannot vary an individual exemption to change or add to the *form* of energy to which the exemption relates.

We recommend that you contact us before you submit an application for the variation of an individual exemption (including any proposed variation of the attached conditions), to help ensure that the information you include in your application is relevant and necessary.

Please provide the following information in your application for the variation of an individual exemption:

- 1 An explanation of why you are seeking a variation to your individual exemption and an explanation of why you believe an exemption—rather than a retailer authorisation—remains appropriate for your changed circumstances.
- 2 Where relevant, a list of the conditions of exemption that you ~~believe~~ consider need to be varied.
- 3 A list of changes to any of the information that you provided us when you applied for your individual exemption. If you have an electronic copy of your original application, you may submit this with tracked changes. If your exemption was transitioned, a list of changes to the circumstances on which the exemption was based.

Appendix E: How we assess individual exemption applications

Our assessment of applications for exemptions, and the conditions that should be attached to them, are guided by:

- the objective of the Retail Law⁷⁵
- the exempt policy principles outlined in the Retail Law⁷⁶
- the exempt seller related factors outlined in the Retail Law⁷⁷ and
- the customer related factors outlined in the Retail Law.⁷⁸

We discuss these considerations below. Our considerations are a guide only. In practice, we will take into account all the circumstances of each individual application and no single principle or factor is a defining consideration in all instances.

We will also consider the nature of the service provided to the customer, whether the form of regulation is appropriate and fit for purpose, and whether it duplicates existing regulation.

Whilst applications are considered on a case-by-case basis, we aim for consistency to the extent reasonable. There may also be reasons not specified in the guideline that might cause us to refuse an application for an individual exemption or to treat two seemingly similar applications differently.

1. The objective of the Retail Law

Our decisions, and the way we exercise our powers and functions, are guided by the national energy retail objective:

*to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.*⁷⁹

It means, for example, that we may refuse an exemption application if we consider that the proposed arrangements are not in the long-term interests of the affected consumers in terms of price, quality or anything else specified in the objective.

2. Exempt selling policy principles

The exempt selling policy principles help ensure that customers of exempt sellers are not unreasonably disadvantaged compared to customers of authorised retailers. These principles, and how they inform our exemption decisions, are outlined below.

⁷⁵ Section 13 of the Retail Law

⁷⁶ Section 114 of the Retail Law

⁷⁷ Section 115 of the Retail Law

⁷⁸ Section 116 of the Retail Law

⁷⁹ Section 13 of the Retail Law

2.1. Divergence in regulatory arrangements

Section 114(1)(a) of the Retail Law states that *‘regulatory arrangements for exempt sellers should not unnecessarily diverge from those applying to retailers’*.

The retail exemptions framework aims to give exempt customers protections equivalent to those of retail customers.⁸⁰

However, unlike authorised retailers, exempt sellers generally do not sell energy as their core business and may lack the economies of scale and scope from which retailers benefit.

Consequently, certain requirements under the Retail Law and Retail Rules may be more onerous or inappropriate for exempt ~~seller~~ ~~persons~~ (for example price disclosure requirements for retailers’ standing and market offer prices) and a degree of regulatory divergence is unavoidable.⁸¹

An exempt seller whose energy sales are significant in terms of scale and/or scope should be subject to additional regulatory requirements (see below **3.4: Amount of energy likely to be sold**).

2.2. Choice of retailer

Section 114(1)(b) of the Retail Law states that *‘exempt customers should, as far as practicable, be afforded the right to a choice of retailer in the same way as comparable retail customers in the same jurisdiction have that right’*.

Access to retail competition is the best way to empower and protect electricity consumers.

We recognise choice can be limited in embedded networks and that this may be due to factors arising at the time a building is constructed—for example, network configuration, access to individual meters (where the customer has its own meter that can be read by a retailer other than the exempt seller), the type of meters in place at the premises, and the availability of “energy-only” offers. Reconfiguration may be unfeasible, meaning customers have little real choice.

In addition, not all jurisdictions permit competition for embedded networks. In Tasmania, embedded network customers can usually only access retail market offers if they have a direct connection to the local distribution network (that is, if they “leave” the embedded network.) This may require significant changes to the wiring within the network, the costs of which would normally be borne by the customer. No jurisdiction requires retail competition for gas.

In jurisdictions that do allow choice, it is a condition of both deemed and registrable exemptions that the exempt ~~person~~ ~~seller~~ must advise customers that they have a choice and must not prevent them from exercising their choice. We may impose similar conditions on individual exemptions.

We note the recent growth in network conversions. In principle we do not support the creation of infrastructure that deliberately reduces a customer’s ability to exercise choice.

⁸¹ These requirements are set out in Division 11 of Part 2 of the Retail Law.

However we recognise the potential for customers to benefit from selling arrangements in embedded networks and to be able to join an embedded network if they choose to.

Property owners seeking to retrofit embedded networks into an existing retail or commercial development will therefore only be eligible for deemed or registrable exemptions (classes D1 and R1) if **all** affected customers give explicit informed consent to the network conversion. Otherwise the property owner must apply for an individual exemption. Similarly, property owners who want to retrofit an embedded network in a residential development must apply for an individual exemption.

2.3. Access to customer protections

Section 114(1)(c) of the Retail Law states that '*exempt customers should, as far as practicable, not be denied customer protections afforded to retail customers under this Law and the Rules*'.

As a matter of principle, exempt customers should receive the same protections as customers of authorised retailers.

However, requiring exempt sellers to provide the full suite of protections may not always be practicable. We have therefore developed a set of general conditions for exempt [seller persons](#) based on the customer protections in the Retail Law.

The extent to which these apply to a particular class exemption depends largely on the nature of the energy sale and the customer type.

For example, residential exempt customers will receive the greatest level of protection and should receive such protections as flexible payment plans if they identify themselves as experiencing financial difficulty.

Conditions attached to an individual exemption may more closely resemble the obligations that apply to an authorised retailer, although the inclusion of hardship protections, flexible payment options and other customer protections will be considered on a case-by-case basis.⁸²

Under the Retail Law, retail customer protections are not generally extended to large business customers and this has been reflected in the exemptions framework.

3. Exempt seller related factors

Exempt seller related factors⁸³ are outlined below. This section also provides guidance on how these factors inform our exemption decisions, and on whether an exemption or a retailer authorisation would be more appropriate for an energy seller under various scenarios.

3.1. Core versus incidental business

Section 115(1)(a) of the Retail Law enables the AER to consider '*whether selling energy is or will be a core part of the exempt seller's business or incidental to that business*'.

⁸² For example, an energy seller who sells energy across a number of sites is likely to have similar obligations to an authorised retailer, or may even be required to obtain a retailer authorisation.

⁸³ Section 115 of the Retail Law.

Whether the sale of energy is incidental to an energy seller's business will largely depend on the nature of the seller's business and their relationship with customers.

- A sale of energy is not incidental where the seller's sole or primary relationship with the customer is the sale of energy.⁸⁴
- A sale of energy may be incidental where the seller sells energy as part of a suite of services, and/or has another primary relationship with the customer. For example, a landlord who has a tenancy relationship with a small tenant (primary relationship) who also sells energy as a secondary component of the relationship.

If the energy sale is incidental, the seller is likely to be eligible for an exemption. Where it is not incidental an authorisation may be more appropriate.

An exception to this principle is where the energy sold is discretionary or supplementary (as opposed to energy supplied by an authorised retailer, which we consider primary). Energy sold through SPPAs is a good example. Many of the Retail Law obligations are inappropriate in this instance, for example participation in the Retailer of Last Resort scheme, and obligations to provide standing offers. Exemptions, which can be tailor-made to suit the specifics of an energy sale, are therefore a better regulatory fit for the sale of energy through SPPAs (and possibly other kinds of alternative energy selling).

3.2. Characteristics of the exempt seller

Section 115(1)(b) of the Retail Law enables the AER to consider '*whether the exempt seller's circumstances demonstrate specific characteristics that may warrant exemption*'.

Exemption classes have common features, which are shared by many sellers. Even if we do not consider a person needs an authorisation to sell energy, they may not fall into a defined exemption class either. Where a person proposes to sell energy in a new or different way they may need to apply for an individual exemption, so that the exemption can be tailored to suit the particulars of the arrangement. We will assess applications on a case-by-case basis and attach conditions as appropriate, taking into account the needs of customers as well as the effect any obligations would have on the seller.

3.3. Profit intentions of the exempt seller

Section 115(1)(c) of the Retail Law enables the AER to consider '*whether the exempt seller is intending to profit from the exempt selling arrangement*'.

An energy seller's profit motive can help determine whether energy selling is incidental, but it is not a defining feature and there is no prohibition on exempt sellers making a profit.

To ensure that small customers receive some price protection, condition 7 provides that an exempt seller must not charge small customers more than the local area retailer's standing offer tariff rate for similar supply.⁸⁵ This applies separately to all components of the tariff. For

⁸⁴ An exception might be where a person sells energy to an adjacent site for the sake of convenience or for legacy reasons.

⁸⁵ A local area retailer is a retailer designated by a particular jurisdiction to take responsibility for new connections in that jurisdiction—for parts of, or the whole, jurisdiction; for specified premises or classes of premises; and specified customers or classes of customers.

example, the supply charge imposed by the exempt seller must not exceed the supply charge imposed by the local area retailer, and same for the usage charge.

The exempt ~~seller~~ ~~person~~ may not charge any other “administration” fees and may only recover the costs they incur as a result of a customer’s late payment (see condition 7).⁸⁶

3.4. Amount of energy likely to be sold

Section 115(1)(d) of the Retail Law enables the AER to consider ‘*whether the amount of energy likely to be sold by the exempt seller is significant in relation to national energy markets*’.

Exemptions are generally appropriate for energy sellers who sell on a small scale and/or to one or a small number of sites.

If the scale of a person’s energy sales increases (and their operations begin to resemble those of an authorised retailer), we may require them to obtain a retailer authorisation. If an individual exemption is granted for ‘significant’ operations, the conditions attached will likely be similar to those of an authorised retailer.

3.5. Appropriate obligations governing the applicant’s behaviour

Section 115(1)(e) of the Retail Law enables the AER to consider ‘*the extent to which the imposition of conditions on an exemption, or to which the requirements of other laws, would allow appropriate obligations to govern the applicant’s behaviour rather than requiring the applicant to obtain a retailer authorisation*’.

The level of regulation should be proportionate to the level of protection energy customers need. These needs vary according to the type of service they are receiving and their relationship with their energy seller.

In general, the closer an energy seller’s operations are in scale and scope to those of an authorised retailer, the more closely their exemption conditions will resemble an authorised retailer’s obligations.

Consumer protections may also be available under other legislative frameworks, for example the Australian Consumer Law and state or territory tenancy legislation. Exemption conditions are intended to provide energy-specific protections for exempt customers and not to duplicate protections provided through other legislation or to place additional obligations on sellers who are already bound by other legislation.

3.6. Costs and benefits of obtaining a retailer authorisation

Section 115(1)(f) of the Retail Law enables the AER to consider ‘*the likely cost of obtaining a retailer authorisation and of complying with this Law and Rules as a retailer compared to the likely benefits to the exempt customers of the exempt seller*’.

The AER has a range of tools available to regulate energy sellers—from retailer authorisations, to tailored (individual) exemptions and class exemptions. Our regulatory approach will depend on the particular circumstances of each seller.

⁸⁶ There may be specific requirements in each jurisdiction that limit what the local area retailer can charge under a standard retail contract.

Applying for a retailer authorisation requires a person to meet three entry criteria:⁸⁷

- organisational and technical capacity—the person must have the necessary organisational and technical capacity to meet the obligations of a retailer
- financial resources—the person must have resources or access to resources so that it will have the financial viability and financial capacity to meet the obligations of a retailer
- suitability criterion—the person must be a suitable person to hold a retailer authorisation.

Authorised retailers must comply with all relevant regulatory obligations under the Retail Law and the Retail Rules. The regulatory costs of complying with the Retail Law and Rules can be substantial and could be prohibitive for some small energy sellers. Where we consider that the additional regulatory costs that would be imposed on an energy seller by an authorisation outweigh the costs to customers of receiving a lesser level of regulation, an exemption may be sufficient.

4. Customer related factors

Section 116 of the Retail Law sets out ~~a number of~~ [several](#) customer related factors. These are outlined below, along with guidance on how we will apply these factors in our exemption decisions.

4.1. Characteristics of the exempt customers

Section 116(a) of the Retail Law enables the AER to consider ‘*whether the characteristics of the exempt customers or the circumstances in which energy is to be sold to them by the applicant are such as to warrant exemption*’.

Residential customers need more protection than business customers, and for the same reasons, small exempt customers need a higher level of protection than large exempt customers (who we reasonably assume to have more bargaining power and a greater ability to protect their own interests). We consider that where energy is sold to large customers few conditions are necessary.

Another characteristic we consider is whether the customer has access to another source of energy supply. In our view, a customer needs a greater level of protection where there is a possibility that a customer’s energy supply could be disconnected. In this case the seller will need to either be authorised, or if exempted, will be subject to conditions that mirror a retailer’s obligations. However, customers do not need the same level of protection where there is no risk of them being disconnected from network distributed energy, for example where the seller is providing a supplementary, discretionary source of energy (as in the case of SPPA providers).

4.2. Access to appropriate rights and protections

Section 116(b) of the Retail Law enables the AER to consider ‘*the extent to which the imposition of conditions on an exemption, or to which the requirements of other laws, would allow the exempt customers access to appropriate rights and protections rather than requiring the applicant to obtain a retailer authorisation*’.

⁸⁷ Section 90(1) of the Retail Law.

We can impose conditions on exempt [sellerpersons](#) to provide an appropriate level of protection for customers. The conditions that apply to most deemed and registrable exemptions are outlined at **Appendix A-1**. Conditions for individual exemptions will be based on retail customer protections but determined on a case-by-case basis.

Many residential and small business customers also have protections under their respective tenancy or equivalent legislation or agreements. These protections, when complemented by exemption conditions, will go some way to matching the customer protections provided by the Retail Law.

5. Other relevant customer related matters

Section 116(c) of the Retail Law enables the AER to consider '*any other customer related matter the AER considers relevant*'.

5.1. The nature of the service provided to customers

Energy is an essential service, regardless of its source or how it is supplied. However, this does not mean that all energy supply should be regulated the same way and as noted earlier, regulation should be fit for purpose.

When determining how best to regulate energy supply, one of the questions we consider is whether a service is discretionary or non-discretionary and the effect disconnection would have on a customer's ongoing energy supply. The impact on a customer of the disconnection of their primary source of energy supply (that is through the grid) is far greater than disconnection of a secondary source of supply. If a secondary source were disconnected the customer would still have access to network distributed energy and would still be supplied.

Primary providers should be required to provide customers with the full suite of energy retail protections and therefore should be authorised. Where a customer is supplied by an energy source that is secondary to grid-distributed energy (for example, through an SPPA) the customer does not need the same level of protection for that service as for the primary source of electricity. In addition, the seller does not need to be as heavily regulated as an authorised retailer. An exemption may be appropriate in this instance and the conditions tailored to the nature of the energy sale. These will be considered on a case-by-case basis.

6. Other relevant seller related matters

Section 115(1)(g) of the Retail Law enables the AER to consider '*any other seller related matter the AER considers relevant*'.

6.1. Unmetered supply

Some metering requirements are determined by state or territory legislation. The Retail Rules state that we can impose conditions on exempt [sellerpersons](#) for, or with respect to, installing, maintaining and reading meters of exempt customers in accordance with jurisdictional energy legislation.⁸⁸

⁸⁸ Rule 152(5) of the Retail Rules.

Although we do not support unmetered energy selling, we will allow exemptions in some circumstances where, for example, it is permitted under jurisdictional legislation,⁸⁹ or where it is for negligible and specific use such as for gas cook tops, or in “legacy” arrangements,⁹⁰ or, in the case of large customers, where the parties have agreed to it.

6.2. Decentralised energy and the need for flexibility

The way energy is supplied to customers is changing with the emergence of new products and services that allow customers greater control over how their electricity is delivered and consumed. This has resulted in a range of distributed generation and storage options, demand management services and new business models for selling energy. Many of these new energy sellers do not sell energy under a ‘typical’ energy retailer model and are different from typical exempt sellers.

Many of the new products emerging in the electricity supply market involve on-site generation which may be combined with storage. While this has broader implications for all levels of the energy market, it is already impacting on the way that energy is being retailed to customers. Increasingly, a customer’s energy supply will be drawn from various sources, including from alternative energy sellers. Not all new technologies involve the sale of energy (for example, battery storage) but where they do (for example, SPPAs) they fall under the Retail Law.

The alternative energy market is evolving rapidly, and our regulatory approach aims to support—not hinder—market innovation. Our approach to regulation will be flexible and pragmatic and the level of regulation applied to a business (obligations, as well as entry criteria) needs to be appropriate for the type of energy selling undertaken.

We will seek to ensure that a customer has appropriate consumer protections under the conditions of their exemption. However, we will not impose conditions on alternative energy sellers where another supplier already guarantees these protections or where they duplicate protections available through other legislation (for example, the Australian Consumer Law).

⁸⁹ Most jurisdictions prohibit energy charges being passed on to residential tenants unless consumption is separately metered.

⁹⁰ Legacy arrangements are arrangements that were made before the National Energy Retail Law and Rules commenced in a particular jurisdiction. That is, the AER will only support these arrangements where they are long-standing arrangements that are mutually convenient to the parties.