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7 March 2022

Peter Wright
Chief Executive Officer
CEP Energy Pty Ltd
Level 1/274 Victoria Street
Darlinghurst NSW 2010

By email: peter@cep.energy
CC: compliance@energyintel.com.au

Dear Mr Wright

CEP Energy Pty Ltd: Narellan Town Centre — application for an individual retail exemption

I refer to your application, accepted on 6 October 2021, for an individual retail exemption under the National Energy Retail Law (**Retail Law**) for CEP Energy Pty Ltd (**CEP Energy**) / ABN 21 632 035 575 to sell electricity through an embedded network at Narellan Town Centre, 326 Camden Valley Way, Narellan NSW 2567 (the **Site**).

Pursuant to the delegation given to me by the AER, I have assessed CEP Energy's application and have decided under rule 157(2) of the National Energy Retail Rules (**Retail Rules**) to grant an exemption to CEP Energy from the requirement to hold a retailer authorisation.

The AER has considered the policy principles relating to exempt selling in section 114 of the Retail Law, being:

- Regulatory arrangements for exempt sellers should not unnecessarily diverge from those applying to retailers.
- Exempt customers should, as far as practicable, be afforded the right to a choice of retailer in the same way comparable to retail customers in the same jurisdiction.
- Exempt customers should, as far as practicable, not be denied customer protections afforded to retail customers under the Retail Law and Rules.

The AER's decision is guided by the objective of the Retail Law,¹ the exempt seller factors,² the customer related factors,³ and the assessment approach outlined in the AER (Retail) Exempt Selling Guideline.

If CEP Energy decides to change the way it sells electricity, it should contact the AER as it may need to apply for an authorisation or another exemption to do so. Please be aware that selling energy outside of the scope of the present exemption may contravene section 88 of the Retail Law and we may take enforcement action or otherwise seek to ensure compliance.

Please note that the exemption is subject to your acceptance of the conditions set out in the Instrument of Exemption. CEP Energy must advise the AER in writing by **5 April 2022** whether it accepts these conditions.

If you have any further queries, or would like to discuss this further, please contact Mila Sudarsono, Director (A/g), Compliance and Enforcement Branch on (03) 9658 6485.

Yours sincerely



Rowena Park
General Manager Compliance and Enforcement

¹ The national energy retail objective is to 'promote efficient investment in and efficient operation and use of energy services for the long-term interests of energy consumers with respect to price, quality, safety, reliability and security of supply of energy' (s 13, Retail Law).

² s 115, Retail Law

³ s 116, Retail Law

Schedule 1: Instrument of Exemption

INDIVIDUAL EXEMPTION FROM THE REQUIREMENT TO HOLD A RETAILER AUTHORISATION

DATE OF ISSUE: 7 March 2022

FORM OF ENERGY: Electricity

Pursuant to section 110 of the National Energy Retail Law, the Australian Energy Regulator (AER) decided, on 7 March 2022, to grant CEP Energy Pty Ltd / ABN 21 632 035 575 an exemption from the requirement to hold a retailer authorisation under section 88 of the National Energy Retail Law, subject to the conditions set out below. This exemption applies to the sale of electricity to premises at Narellan Town Centre, 326 Camden Valley Way Narellan NSW 2567.

Condition 1 - Offer matching for large customers

Note: Condition 1 only applies if the large customer was a tenant at the time of the creation of the embedded network

1. If a tenant, who is categorised as a large electricity customer,¹ does not consent to becoming part of the embedded network, the exempt person must:
 - a. facilitate, within the embedded network, the continuation of the tenant's electricity contract with their current retailer,² or
 - b. facilitate the tenant's direct connection to a registered distributor³, or
 - c. if 1(a) or 1(b) do not apply, fulfil a request made by the tenant that the exempt person match any genuine electricity offer that would be available to the particular tenant if they were still a grid connected customer.⁴
2. The exempt person must fulfil any subsequent request made by a tenant to match an electricity offer if the request is made 12 months or more after a previous request.
3. In the absence of a subsequent request to match an electricity offer, the exempt person need only apply the matched offer for a period of 12 months.
4. The exempt person's obligation to match an electricity offer expires upon termination or renewal of the customer's tenancy/lease.

¹ A 'large' customer is a customer that consumes 100 MWh or more of electricity per annum.

² Where a separate account is issued for network charges, the exempt person must also meet the large customer's reasonable cost of a bill validation service in relation to that account.

³ A 'registered distributor' is an electricity network distributor that is registered with AEMO.

⁴ Condition 1.1(c) applies by mutual consent. The exempt person may offer to price match or may negotiate an alternative pricing arrangement with the customer if the exempt person determines conditions 1.1(a) or 1.1(b) are not feasible or are too costly.

Condition 2 - Offer matching for small customers

Note: Condition 2 only applies if the small customer was a tenant at the time of the creation of the embedded network

1. If a tenant, who would be categorised as a small electricity customer, does not consent to becoming part of the embedded network, the exempt person must:
 - a. facilitate, within the embedded network, the continuation of the tenant's electricity contract with their current retailer,⁵ or
 - b. fulfil a request made by the tenant that the exempt person match any genuine electricity offer that would be available to the particular tenant if they were still a grid-connected customer.
2. The exempt person must fulfil any subsequent request by a tenant to match an electricity offer if the request is made 12 months or more after a previous request.
3. In the absence of a subsequent request to match an electricity offer, the exempt person need only apply the matched offer for a period of 12 months.
4. The exempt person's obligation to match an electricity offer expires upon termination or renewal of the customer's tenancy/lease.

Condition 3 - Duplication of network charges

This condition only applies if the customer was a tenant at the time of the creation of the embedded network.

1. The exempt person must ensure that a tenant who enters into an energy only contract with an authorised retailer is not billed twice for network charges.
2. The exempt person must negotiate directly with the authorised retailer of the tenant to ensure that the tenant is not billed twice for network charges.
3. The exempt person must take steps to remedy any duplication of network charges experienced by tenants who have entered into an energy supply contract with an authorised retailer.
4. The exempt person must not charge a connection charge to any tenant who enters into an energy supply contract with an authorised retailer.

Condition 4 - Metering arrangements

1. The exempt person must not charge a tenant the cost of any changes to metering and other network alterations that take place in the course of converting the embedded network.
2. The exempt person must ensure that metering arrangements within the embedded network allow for tenants to access retail competition.

Condition 5 - Obligation to supply

1. The exempt person cannot refuse to sell energy to a customer except:
 - a. in accordance with relevant disconnection provisions, and
 - b. where the exempt customer's premises have been disconnected by the exempt person for a reason other than the failure to pay a bill and the matter leading to

⁵ An exempt person is not prohibited from arranging a direct connection to a registered distributor for a small customer if that option is viable.

the disconnection has not be rectified. The exempt person must reconnect the premises and offer to sell energy once the matter is rectified.

Condition 6 - Information provision

Note: Condition 6 does not apply to large energy customers of the exempt person

1. The exempt person must advise an exempt customer, in writing, at the start of their tenancy / sale agreement of the following:
 - a. the legal name, trading name (if relevant) and contact details for the exempt seller, and
 - b. any right of the exempt customer, under state laws, to elect to purchase energy from a retailer of their choice and information on the options for metering that would allow this choice, and
 - c. that the exempt 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, and
 - d. the exempt customer's rights in relation to dispute resolution including:
 - i. any right that 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 person's procedures for handling complaints and disputes
 - e. the conditions applicable to the exemption that the exempt person is operating under, and
 - f. the energy tariffs and all associated fees and charges that will apply to the exempt customer in relation to the sale of energy, and
 - g. contact numbers in the event of an electricity fault or emergency.
2. The exempt person must provide the information set out in paragraph 1 of this condition at any time on request by the exempt customer or the AER.
3. The exempt person must provide the information set out in paragraph 1 of this condition to existing exempt customers as soon as practicable.

Condition 7 - Billing and payment arrangements

Note: Condition 7 does not apply to large energy customers of the exempt person

1. The exempt person must ensure that bills are issued to each exempt customer at least once every three months.
2. The exempt person must offer at least two payment methods to an exempt customer. However, if an exempt 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, or
 - b. by telephone, or
 - c. by mail, or
 - d. by direct deposit into a bank account.

3. An exempt person must include the following particulars in a bill for an exempt customer:
 - a. The legal name, trading name (if relevant) and contact details for the exempt seller, and
 - b. the name of the exempt customer, and
 - c. the address of the exempt customer's premises, and
 - d. date that the account was issued, and
 - e. the identifier of the meter for the exempt customer's premises, and
 - f. the pay-by date for the bill, and
 - g. date of the current meter reading or estimate, as applicable, and
 - h. the dates to which the meter reading or estimate applies (billing period), and
 - 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, and
 - 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, and
 - 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, and
 - l. tariffs, fees and charges applicable to the exempt customer, and
 - 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), and
 - ii. the daily supply charge in cents per day (c/day) (if charged), and
 - iii. the number of days in the billing cycle.
 - n. details of the available payment methods, and
 - o. a telephone number for account inquiries and complaints.

Condition 8 - Estimation as basis for bills

Note: Condition 8 does not apply to large energy customers of the exempt person

1. The exempt 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. The exempt 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. The exempt person may base an exempt customer's bill on an estimation of the exempt customer's consumption of energy where the exempt 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 person, or
 - b. where this is not available, the average usage of energy by a comparable customer over the corresponding period.

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

Condition 9 - Pay-by date

Note: Condition 9 does not apply to large energy customers of the exempt person

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

Condition 10 - Receipts

Note: Condition 10 does not apply to large energy customers of the exempt person

1. The exempt 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. The exempt 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 11 - Pricing

Note: Condition 11 does not apply to large energy customers of the exempt person

1. The exempt 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.⁶
2. The exempt person must provide notice to the exempt customer of any change in the exempt customer's tariff as soon as practicable, and no later than the exempt customer's next bill.
3. The exempt person must not impose any charge on an exempt customer that could not be 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.⁷ The amount of any allowable charge must not be greater than that charged under the relevant local area retailer's standard retail contract.

Condition 12 - Undercharging and Overcharging

Note: Condition 12 does not apply to large energy customers of the exempt person

1. Where an exempt customer has been undercharged,⁶ an exempt 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 person is limited to recovering the amount undercharged in the 9 months before the date on which the customer is notified of the undercharging, and

⁶ The standing offer price includes the supply price and the consumption 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.

⁷ 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.

- b. the exempt person cannot charge interest on the undercharged amount, and
 - c. the exempt 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, the exempt person must inform the 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 or more, the exempt 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 person, the exempt person must use best endeavours to refund the amount within 10 business days, and
 - b. where the amount overcharged is less than \$25, the exempt person must credit that amount to the exempt customer's next bill. Where the exempt customer no longer purchases energy from the exempt person, the exempt person must use best endeavours to refund the amount within 10 business days, and
 - c. no interest is payable on the overcharged amount, and
 - d. where the overcharging was the result of the exempt customer's fault or unlawful act or omission, the exempt person is limited to repaying the amount overcharged in the 12 months before the date on which the error was discovered.

Condition 13 - Payment difficulties and de-energisation or disconnection of premises

Note: Condition 13 does not apply to large energy customers of the exempt person

1. Where an exempt customer informs the exempt person that they are unable to pay energy bills due to financial difficulty, the exempt person must:
- a. direct the exempt customer to the Australian government energy efficiency website or another information resource with energy efficiency advice, and
 - b. ensure that the exempt customer is aware of relevant government or non-government energy rebates, concessions and relief schemes, and
 - c. not charge the exempt customer a late payment fee, and
 - d. not charge the exempt customer a security deposit.
2. Subject to Condition 14, the exempt 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 /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 agreed to a payment plan, or having agreed to a payment plan has failed to adhere to the terms of a payment plan, and:
 - i. following non-payment by the pay-by date, the exempt 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

- ii. following non-payment by the date specified in the reminder notice, the exempt 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 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 13(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 person retailer's telephone number for complaints and disputes.
4. A disconnection warning notice issued pursuant to condition 13(2)(d)(ii) must:
 - a. state the date of its issue, and
 - b. state the date on which the disconnection warning period ends, and
 - c. inform the customer of applicable re-connection procedures and (if applicable) that a charge will be imposed for reconnection, and
 - d. include details (where applicable) of the existence and operation of the energy ombudsman, including contact details, and
 - e. include contact details for the exempt seller.
5. Where an exempt customer is disconnected in accordance with condition 13(2)(b), the exempt 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 legislation sets out the process and requirements for the disconnection or cessation of energy supply by the exempt person on the basis that they are a landlord, body corporate or similar.
7. The condition does not apply to interruptions under conditions 19 and 20.

Condition 14 - When disconnection or de-energisation is prohibited

Note: Condition 14 does not apply to large energy customers of the exempt person

1. The exempt person must not disconnect or cease energy supply to an exempt customer's premises where:
 - a. the exempt customer has made a complaint directly related to the proposed reason for disconnection or de-energisation to the exempt person, the energy ombudsman or another relevant external dispute resolution body and the complaint remains unresolved, or
 - b. or the disconnection or de-energisation would occur on:
 - i. a business day before 8am or after 3pm
 - ii. a Friday or the day before a public holiday

- iii. a weekend or a public holiday
 - iv. the days between 20 December and 31 December (inclusive) in any year.
2. The exempt 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 disconnection of a retail customer would be prohibited on that day, the exempt 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 person and the exempt customer has been terminated.

Condition 15 - Reconnection or re-energisation

1. Where an exempt customer is disconnected in accordance with conditions 13 and 14 and the customer makes a request for reconnection, the exempt person must reconnect the premises as soon as 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 any charges for re-energisation or reconnection are paid.
2. Subject to condition 15(1), the exempt 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 15(1), the exempt person cannot refuse to supply an exempt customer on the grounds that they owe outstanding amounts on their energy account.

Condition 16 - Choice of retailer

1. Where an exempt customer is eligible under state legislation to purchase energy from a retailer of their choice, the exempt 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
 - 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 17 - Contact details

Note: Condition 17 does not apply to large energy customers of the exempt person

1. The exempt 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 18 - Dispute resolution

Note: Condition 18 does not apply to large energy customers of the exempt person

1. An exempt person must develop and make a set of procedures detailing the exempt person's procedures for handling complaints and disputes, and those procedures must be provided to exempt customers in accordance with condition 6(1)(d)(i).
2. The procedures must be consistent with the current Australian Standard *AS/NZS Guidelines for complaints management in organisations* 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 person must:
 - a. deal with the complaint or dispute in accordance with the exempt person's procedures for handling complaints and disputes, and
 - b. make reasonable endeavours to resolve the dispute.

Condition 19 - Planned interruptions to supply

Note: Condition 19 does not apply to large energy customers of the exempt person

1. For planned interruptions, the exempt person 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 person must use its best endeavours to restore the exempt customer's supply as soon as possible.

Condition 20 - Unplanned interruptions to supply

Note: Condition 20 does not apply to large energy customers of the exempt person

1. In the case of an unplanned interruption, the exempt person 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 21 - Continuity of supply

1. An exempt person must notify the exempt customers and the AER immediately if they are (or expect to be) disconnected, or there is any likelihood that they will be unable to continue selling energy.

Condition 22 - Termination of energy supply agreement

Note: Condition 22 does not apply to large energy customers of the exempt person

1. An energy supply agreement between the exempt person and an exempt customer will terminate:
 - a. on a date agreed by the exempt person and exempt customer, or
 - b. five business days (or a different time agreed by the exempt person and exempt customer) from the date when the exempt customer gives the exempt 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 person, or
 - e. when a different exempt customer moves in and 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

Note: Condition 23 does not apply to large energy customers of the exempt person

1. The exempt 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)
 - g. the basis for determining any estimates of consumption for the purpose of billing where a meter read could not be obtained.