Dear Sarah Proudfoot,

 Battery energy storage has the potential to greatly reduce the overall cost of electricity to consumers. Battery energy storage allows energy to be consumed at a different time to when energy is generated. Battery energy storage is envisioned as a major component in demand side management systems. Demand side management initiatives aim to provide a continuous energy demand profile. A continuous energy demand profile will decrease both the generation and network distribution costs of energy in the future. Furthermore battery energy storage systems enable consumers to purchase energy at the lowest price in the electricity supply cycle independently of when that electricity is to be used. Thus battery energy storage technology has the potential to greatly decrease the overall cost of electricity. The installation of a battery energy system by a solar power purchase agreement provider should not make a material difference as to whether the SPPA provider should be required to or be exempt from having to act as an electricity retailer. A retailer’s responsibility is to buy and sell electricity on behalf of the consumer in relation to the National Electricity Market. A business should have the right to manage a customer’s energy demand profile without having to hold a retailer authorisation. The Australian Energy Regulator should continue to provide individual, case based exemptions to alternative energy sellers based on their specific business models and innovative technologies.

 With a view of promoting regulatory certainty a trigger point should not be included in the case of SPPA and similar business models. The nature of the business model should be the defining factor as to whether a retail exemption is provided to an alternative energy seller. A trigger point dependent upon generation capacity, storage capacity, customer base or time is not necessary as long as the alternative energy seller’s activities follow the original business model which was approved for individual exemptions.

 No concerns should exist by authorised retail businesses when comparing themself to an alternative energy seller. The activity of a retail business is very different to the activity of an alternative energy seller. An authorised retailer is essentially acting as an agent to buy and sell electricity from the National Electricity Market on behalf of a customer. The National Electricity Market is made up of many different companies who either generate electricity or distribute electricity through a network to customers. Alternative energy sellers should be allowed to conduct business with an immediate customer without having to obtain a retailer authorisation.

 Yours sincerely,
Alexander Steven Robinson BEng GradIEAust
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