

1 July 2021

General Manager, Compliance and Enforcement  
Australian Energy Regulator  
Exemptions Team  
GPO Box 520  
Melbourne VIC 3001

General Manager, Compliance and Enforcement

**Re: Updating the Network and Retail Exemption Guidelines**

I am pleased to submit a response to the questions posed by the Australian Energy Regulator via the Updating the Network and Retail Exemption Guidelines public consultation process.


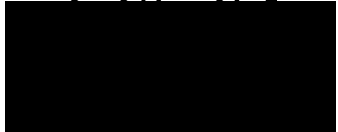
I note that the scope of the consultation process is limited at the current time. However, given the significant shifting dynamic prevalent in the exempt network and retail sector, we would welcome the opportunity to discuss broader issues that would better enable the industry to meet the National Energy Objective given the infrequency of exemption guideline reviews.

I note that the embedded network reform recommendations published by the AEMC in late 2019 have not progressed at this time. However, we feel that an opportunity exists for the Australian Energy Regulator to broaden the consultation scope. Should the Australian Energy Regulator carry out a broader review, the Altogether Group would welcome the opportunity to provide detailed input and recommendations forward.

In the meantime, we are pleased to include responses to the questions posed through the current consultation process.

Regards

Kind regards

  
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**Drew McKillican**

Executive Manager | Energy

<b>Question One</b>	
Question	Do stakeholders agree that responsibility for meeting certain network exemption conditions should be restricted to one person, for example, the network owner or controller? If stakeholders agree, which person should be the sole registrant, noting this person should have the capacity to resolve customers' complaints?
Altogether Response	<p>The Altogether Group agrees with the Australian Energy Regulators view that a single party should be responsible for overall compliance. This party should have the authority and capacity to resolve customers' complaints. The responsible party could be either the embedded network owner or controller, where "controller" could mean a third party appointed by the embedded network owner.</p> <p>The reasoning for this preference is that a consolidated controller would avoid the cost impost and administrative burden of maintaining hundreds, or thousands, of additional ombudsman members.</p>
<b>Question Two</b>	
Question	Ombudsman membership is an example where designating responsibility is likely to be helpful. Are there other examples?
Altogether Response	<p>Other examples of where designating responsibility is likely to be helpful include:</p> <ul style="list-style-type: none"> <li>• improved decision making on exemption classification eligibility;</li> <li>• removal of ambiguity relating to the safe operation of embedded networks;</li> <li>• avoidance of consumer confusion.</li> </ul>
<b>Question Three</b>	
Question	Should we clarify the meaning of controlling and operating an embedded network?
Altogether Response	<p>The Altogether Group agrees with the Australian Energy Regulator that further clarification of "controlling and operating an embedded network" is required.</p> <p>The Altogether Group believes that the embedded network owners should be permitted to appoint a third party embedded network operator to assume compliance obligations on its behalf. Doing so allows for a consolidation of responsibility with a party able to prove greater compliance capacity and oversight.</p>
<b>Question Four</b>	
Question	Do stakeholders consider there is a need to regulate small generator aggregators under the network exemption guidelines?
Altogether Response	Altogether Group has no position on this matter.
<b>Question Five</b>	
Question	Do stakeholders interpret small generator aggregators as being captured under the NER?
Altogether Response	Altogether Group has no position on this matter.
<b>Question Six</b>	
Question	What do stakeholders consider a reasonable timeframe to procure and appoint an Embedded Network Manager?
Altogether Response	<p>The Altogether Group agrees with the position of the Australian Energy Regulator.</p> <p>The Altogether Group believes that a period of three months is necessary to procure an Embedded Network Manager in a Strata or Body Corporate environment due to legislative obligations imposed on Bodies Corporate.</p>
<b>Question Seven</b>	
Question	Do stakeholders agree that the appointment of Embedded Network Managers should be deferred in regional Queensland and legacy unmetered sites?
Altogether Response	Altogether Group agrees with the position of the Australian Energy Regulator.

	The Altogether Group agrees with the Australian Energy Regulators proposal to amend the network exemption guideline to defer the appointment of Embedded Network Managers in regional Queensland to avoid unnecessary costs.
<b>Question Eight</b>	
Question	Do stakeholders agree that the appointment of Embedded Network Managers be deferred if they are no longer required, for example, when all on-market customers have reverted to off-market? Are there other situations when Embedded Network Manager services are no longer required?
Altogether Response	The Altogether Group agrees with the position of the Australian Energy Regulator that the appointment of Embedded Network Managers be deferred if they are no longer required.
<b>Question Nine</b>	
Question	Do stakeholders agree to remove the 'eligible communities' and counter offer provisions from the network exemption guideline?
Altogether Response	The Altogether Group agrees with the Australian Energy Regulator recommendation to delete these provisions from the network exemption guideline.
<b>Question Ten</b>	
Question	Should the information embedded network owners/operators provide prospective customers be standardised?
Altogether Response	<p>The Altogether Group strongly believes that all embedded network owners/operators should provide prospective customers with standardised information. The information should advise consumers of their right to nominate a retailer of their own choice and the obligations of the embedded network owner/operator.</p> <p>The information should not be provided by the Australian Energy Regulator in the form of a fact sheet and provided by the embedded network owner/operator with the mandatory information required.</p> <p>Altogether Group would encourage the Australian Energy Regulator to include a consumer-friendly information section via Energy Made Easy, a link for which should be provided to consumers by the embedded network owner/operator</p>
<b>Question Eleven</b>	
Question	Should the network exemption guideline's term 'express written consent' be replaced with 'explicit informed consent' and be provided in writing?
Altogether Response	<p>Altogether Group agrees with the Australian Energy Regulator that the term 'express written consent' should be replaced with 'explicit informed consent'.</p> <p>It is noted that the proposed change includes a requirement to provide a signed consent form in place of verbal consent. The Altogether Group agrees that verbal consent is insufficient to meet the evidence requirements 'explicit informed consent'; however, the Altogether Group strongly opposes the requirement to provide 'signed consent' form without an explicit allowance for consents to be signed electronically.</p> <p>The Altogether Group has experienced several recent instances where regulators (state and federal) have required signed paper forms, including vulnerable communities. The Altogether Group believes a zero-contact method must be provided and set out by the Australian Energy Regulator to maintain social distancing.</p>
<b>Question Twelve</b>	
Question	Should record-keeping requirements explicitly apply to all situations where consent is required under the network and retail guidelines?
Altogether Response	The Altogether Group agrees that record-keeping requirements should explicitly apply to all situations where consent is required under the network and retail guidelines.

<b>Question Thirteen</b>	
Question	Do stakeholders support proposed clarifications to the retail and network exemption guidelines' retrofit requirements? If not, what are the reasons for not supporting the changes?
Altogether Response	<p>The Altogether Group opposes the Australian Energy Regulators proposed changes to the retail and network exemption guidelines' retrofit requirements. Any change to limit the capacity of lot owners in a letting or holiday letting environment to provide consent would significantly limit retrofit opportunities in Queensland due to the high use of short-term letting.</p> <p>The Altogether Group believes that the position put forward by the Australian Energy Regulator is misguided and does not accommodate communities of different types.</p> <p>When properly managed, embedded networks provide significant financial benefits to communities and energy efficiency and emission-reducing investment opportunities. However, the current requirements are prohibitive and prevent building owners and elected community representatives (Body Corporate elected committees) from making informed choices about their utility infrastructure.</p> <p>The current 85% explicit informed consent requirement is logistically problematic given both the accessibility of tenants and the time taken to gather consent. From our experience, gather consent from 85% of the tenants within a community can take up to 12 months, during which time, many renting tenants will vacate the premises.</p> <p>The Altogether Group understands why the Australian Energy Regulator would impose such a high approval benchmark where consumers may have limited recourse, reduced consumer choice or lower consumer protections.</p> <p>However, the Altogether Group, as a strong advocate for improving consumer choice, believes that, where "power of choice" compliant metering is installed, there should be no explicit informed consent requirement to retrofit the privately-owned utility infrastructure.</p> <p>The Altogether Group believes that unrealistically high barriers are contrary to the National Energy Objective, restrict efficient investment in utility infrastructure, and deny most tenants the opportunities they seek.</p>
<b>Question Fourteen</b>	
Question	Are there any other provisions or requirements that need to be clarified in either the retail or network exemptions guidelines?
Altogether Response	<p>The Altogether Group believes that the provisions and requirements of the guidelines are primarily explicit; however, as per our answer to question fourteen, the Altogether Group would welcome an urgent and broader opportunity to review the 85% explicit informed consent requirement.</p> <p>Additionally, the eligibility criteria for embedded networks includes a reference to premises being "separately metered". The term "separately" is causing significant confusion in the marketplace resulting in adverse outcomes for consumers.</p> <p>The Altogether Group has witnessed many metering installations whereby a single three-phase meter has been used to measure electricity supplied to three separate apartments. Developers, Bodies Corporate and some embedded network operators interpret "separately metered" as permitted a single 3 phase meter as sufficient due to each phase reading each apartment separately.</p>

	<p>The Altogether Group approached the AEMC during the private network consultation review of 2019 to clarify the interpretation, and it was confirmed to us that the use of a three-phase meter would not be sufficient; however, these installations are still occurring. The Altogether Group estimates that as many as 35% of recently constructive embedded networks use this meter installation type.</p> <p>The Altogether Group believes using three-phase meters to meter three separate apartments is contrary to the exemption guideline intentions and drives adverse consumer outcomes. Where three-phase meters are utilised, meter boards have insufficient space to provide individual meters per premises should consumers choose to exercise their power of choice. Additionally, most installations of this type require service fuses to be installed downstream of the meter, which the Altogether Group believes is incompatible with electrical safety and isolation standards.</p> <p>The Altogether Group requires that the Australian Energy Regulator clearly define "separately metered" to mean "Separate Metered means an individual physical meter asset per premises, not the same or shared meter asset".</p>
<b>Question Fifteen</b>	
Question	Is there any other information exempt sellers should provide embedded network customers to help them access retail competition?
Altogether Response	<p>The Altogether Group believes that, as a retailer offering off-market services, consumers should be informed of their rights to nominate a retailer of their own choice.</p> <p>The Altogether Group already provides prominent information statements to consumers regarding the consumers right to choose an alternative electricity provider.</p>
<b>Question Sixteen</b>	
Question	Do stakeholders have a preference – for a broader set of hardship assistance conditions or an exempt seller hardship plan?
Altogether Response	The Altogether Group believes in increasing consumer protections within embedded networks. We believe that exemption holders should be required to provide the same level of hardship assistance as an authorised retailer.
<b>Question Seventeen</b>	
Question	What key protections should be included in a hardship policy template for exempt sellers?
Altogether Response	The Altogether Group believes in increasing consumer protections within embedded networks. We believe that exemption holders should be required to provide the same level of hardship assistance as an authorised retailer.
<b>Question Eighteen</b>	
Question	What additional obligations should the core exemption conditions include?
Altogether Response	<p>The Altogether Group believes that improved consumer choice drives innovation, good practice, and accountability within the embedded network operator sector. Therefore, the Altogether Group does not support the ongoing use of new or replacement basic meter installations within new or existing embedded networks where existing meters have failed.</p> <p>To promise improved consumer choice and better consumer protections, the Altogether Group believes that the exemption guidelines should require the embedded network operator to replace faulty electricity meters with 'power of choice' compliant smart meters. This progressive rollout of smart meters would allow for a gradual transition with limited capital requirements and promote improved consumer choice in a more sustainable, long term manner.</p>
<b>Question Nineteen</b>	
Question	Are there other measures that would facilitate exemption holders' taking up membership of ombudsman schemes?

Altogether Response	The Altogether Group believes that exemption holders should appoint a third party embedded network operator as the responsible party holding membership of the ombudsman scheme. Allowing a third party to be the responsible ombudsman scheme member would prevent inefficient, inconsistent and expensive ombudsman membership from being efficiently held by more appropriate parties, emphasising maintaining and improving customer outcomes.
<b>Question Twenty</b>	
Question	Do stakeholders support regulation of the sale of energy to chill water?
Altogether Response	The Altogether Group does not believe that the Australian Energy Regulator can regulate the sale of chilled water. This is because the supply of thermal energy, chilled water or hot water, is not compatible with current energy legislation and regulations.
<b>Question Twenty-One</b>	
Question	What are the main issues for this type of energy sale, and what sorts of conditions should apply?
Altogether Response	The principal issue of supplying thermal energy is the varying conversion factors between invoice periods. Consequently, thermal energy supplies are materially different from the sale and supply of electricity (and gas) and should not be regulated by the Australian Energy Regulator under current settings.