

10 October 2016

Mr Chris Pattas
General Manager, Networks
Australian Energy Regulator
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Melbourne, Victoria 3001

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Victoria 8001 Australia
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Via email: AERInquiry@aer.gov.au

Dear Mr Pattas

RE: Issues Paper – Draft Amendments to the Electricity Network Service Provider (NSP) Registration Exemption Guideline

We appreciate the opportunity to respond on the AER's Issues Paper – Draft Amendments to the Electricity Network Service Provider (NSP) Registration Exemption Guideline.

The AEMC made the Embedded Network Rule change in December 2015 to introduce an embedded network manager (ENM) role into the National Electricity Rules (NER). The ENM's role is to perform all the necessary market transactions to establish this National Metering Identifier (NMI) and associated standing data enabling this access to retailer of choice to customers within embedded networks.

AusNet Services supports, in principle, the incorporation of changes to the NSP Exemption Guideline that facilitate cost effective access to retailer of choice. We fully support the establishment of the proposed requirement for the Embedded Network Operator (ENO) to promptly notify the retailer of the parent NMI and the relevant retailer of the child NMI where notified by the customer of a requirement for life support equipment ("life support customer"). We also agree with the proposed introduction of a requirement on exempt NSPs to provide contact numbers in the event of an electricity fault or emergency, including the number for a 24-hour emergency contact line.

However, we consider that proposed changes that allow the ENO to pass on all the costs associated with appointing the ENM to only those customers establishing market offers i.e. those leaving first, would disincentivise anyone from leaving. The draft NSP Exemption Guideline allows "eligible community" to pass on costs in that way if two thirds majority of the community agree. The eligible community could very well be a *strata title* or even a very large apartment building where the ENO offers a greater discount if the customers agree to become an eligible community and establish this two thirds majority. This may effectively limit access to retailer of choice within the embedded network. In addition, this may lead some customers to seek to leave the embedded network by requesting the local Distribution Business to provide another physical connection point to the private network. We consider that this alternative would be an inefficient solution. We therefore recommend the AER reconsider this proposal.

AusNet Services is a member of Energy Networks Australia (ENA) and we endorse the ENA submission including responses to the consultation questions.

Should you have any comments in relation to this response please do not hesitate to contact Justin Betlehem on 03 9695 6288.

Sincerely,

A handwritten signature in blue ink that reads "Kelvin Gebert". The signature is fluid and cursive, with the first name "Kelvin" and last name "Gebert" clearly distinguishable.

Kelvin Gebert
Regulatory Frameworks Manager