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Dear Ms Sudarsono,

Thank you for the opportunity to provide a submission on the Australian Energy Regulator's (AER) Draft Retail Exempt Selling Guideline – Version 6 (**Guideline**).

Ausgrid operates a shared electricity network that powers the homes and businesses of more than 4 million Australians living and working in an area that covers over 22,000 square kilometers from the Sydney CBD to the Upper Hunter. As a Distribution System Operator (**DSO**) we have an important role in providing safe, reliable, and efficient network services that enable customers and communities to get the most value from DER investments and supports the transition to a distributed and renewable energy system.

**Provide clarity throughout the Guideline and include a diagram to remove any ambiguity that customers with a direct billing relationship to authorised energy retailers should always receive full National Energy Consumer Framework (NECF) protections.**

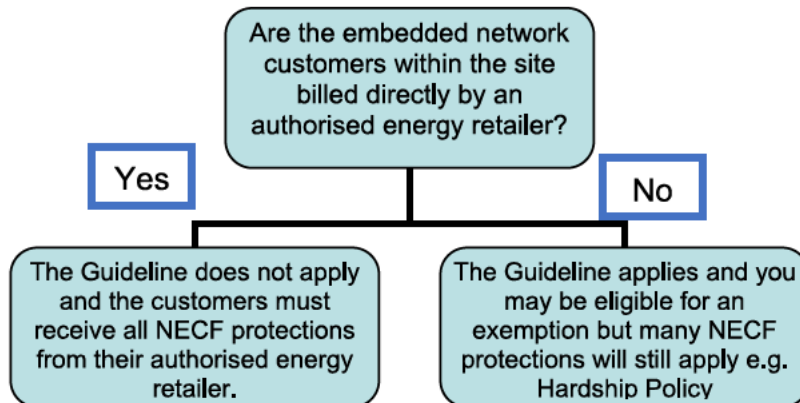
The Guideline distinguishes between energy sellers that hold a 'retailer authorisation' and those that hold a 'retail exemption'. It seeks to clarify that many NECF protections apply to embedded network customers. Ideally embedded network customers would receive all NECF protections regardless of whether they are billed by an authorised energy retailer or an exempt seller with a retail exemption.

Ausgrid recommends that the Guideline provide greater clarity that embedded network small customers with a direct billing relationship with an authorised energy retailer be protected under the full NECF protections and not the Guideline protections. This will help embedded network small customers understand that they should receive the already established protections from these retailers. Where an authorised energy retailer does not have a direct billing relationship with customers, then the full Guideline should apply. This clarification will remove the ambiguity where embedded network customers are billed by an authorised energy retailer but do not receive the full NECF protection required of authorised energy retailers.

We suggest that the Guideline represent this in a flow chart to assist customers and exempt retailer sites understand their rights and obligations respectively. The Network Exemptions Guideline should also prohibit authorised energy retailers from holding both retail and network exemptions, *while* being an authorised energy retailer. We acknowledge that section 5.1 goes some way to explaining this, however it could be stated more plainly to assist readers to understand when obligations apply.

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**Diagram 1: Suggested flowchart to clarify when the Guideline applies to embedded network customers.**



### **Ausgrid supports the proposed amendments to the Guideline**

Ausgrid commends the AER for including the Hardship Policy template and factsheet on 'market only' contract access from retailers and access to payment plans as part of this review. These new provisions will provide important support to and transparency for embedded network customers in the National Electricity Market, particularly vulnerable customers. We support the AER's approach as it makes it clear to customers that they have a right to access Hardship Policies and State Government rebate schemes. Additionally, it provides clear communications on how a customer can leave an embedded network.

Ausgrid also agrees with the AER's approach to:

- Require customer consent prior to retrofitting a site to become an embedded network;
- Mandate exempt sellers to join the relevant ombudsman scheme; and
- Increase civil penalties for non-compliance with the Guideline.

If you have any questions about this submission, please contact Naomi Wynn, Manager Regulatory Policy at [REDACTED]

Regards,

**Alex McPherson**  
Head of Regulation