

1 June 2022



Attn: Mark Feather  
General Manager  
Strategic Energy Policy and Energy Systems Innovation  
Australian Energy Regulator  
Canberra ACT, 2601  
By email: [REDACTED]  
Cc: [AERpolicy@aer.gov.au](mailto:AERpolicy@aer.gov.au)

24-28 Campbell St  
Sydney NSW 2000  
All mail to  
GPO Box 4009  
Sydney NSW 2001  
T +61 2 131 525  
[ausgrid.com.au](http://ausgrid.com.au)

### **Retailer authorisation and exemption review – DER implementation plan**

Dear Mr Feather,

Ausgrid is pleased to provide this submission to the Australian Energy Regulator's (**AER**) retailer authorisation and exemption review (**review**). Our response to the review is set out in **Attachment A**.

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 cover over 22,000 square kilometres 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.

Customer access to new and emerging products such as virtual power plants (**VPPs**), controlled load offerings and electric vehicles have driven significant customer benefits. Consumer protection arrangements need to evolve to ensure that customers have access to accurate and timely information about new service offerings to support customer agency and confidence. The review provides a timely opportunity to build on the *Better Bills Guideline* and *Customer Hardship Policy Guideline* to develop fit for purpose consumer protection arrangements that build and maintain customer trust as the energy market becomes more complex.

We consider that in reviewing existing policy settings, the AER should:

- Adopt standardised customer information requirements for retailers and exempt sellers for new products and services;
- Address regulatory gaps in the treatment of aggregators, embedded networks and retailers;
- Facilitate interoperability standards to promote competition and avoid customers being locked-in to specific products or services; and
- Require retailers to ensure customer data is in business-to-business (**B2B**) customer datasets and remains accurate so that market partners like Ausgrid can contact customers when necessary (e.g. for outage notifications).

We would be happy to discuss the examples raised at **Attachment A** with the AER, please contact Gareth Downing, Senior Regulatory Economist at [REDACTED]

Regards,



Alex McPherson  
Head of Regulation

Connecting communities,  
empowering lives

## **Attachment A: Ausgrid response to review of consumer protection arrangements**

### **Adopt standardised customer information requirements on retailers and exempt sellers for new products and services**

Access to clear and concise information on new products and services (such as batteries, electric vehicles and home energy management) allows customers to compare and select the product offering that best matches their needs. Ensuring there are standardised customer information requirements for retailers, aggregators and billing providers will be key to protecting customer interests and ensure that they are participating with express and informed consent in an increasingly sophisticated market with additional players.

Information requirements should provide for transparent bills, facilitate clear information for new tariff structures and outline the relationship between metering arrangements and customer bills where aggregation agreements are in place. For example, information should be provided to customers concerning the data that they are sharing with aggregators and the benefits of this data. This will allow customers within the Ausgrid network and broader energy market to assess the value of participating in aggregation schemes and take up opportunities to participate in schemes to reduce their energy bills.

### **Address regulatory gaps in the treatment of aggregators, embedded networks, VPPs and retailers**

Ausgrid supports the AER examining opportunities to align the regulation of retailers, aggregators, VPPs and large embedded networks (**ENs**). This includes aligning the exemptions framework for embedded networks and retailers so that EN customers are supported during supply interruptions, receive timely information from EN operators on outages and have sufficient access to competitive retail market offerings. Further the AER should clarify that exemptions provided for ENs do not preclude them from having to comply with technical and safety standards. We note that Ausgrid has received several complaints from EN customers who have been precluded from installing solar assets due to their EN operator failing to install centralised equipment at the connection point and non-compliance with technical requirements.

### **Facilitate interoperability standards and competition to ensure customers with new products and services have access to the benefits of retailer power of choice**

Customer choice is a key underpinning of the energy market and drives customer value by promoting competition. This principle should be applied to the emerging energy services market and we support the AER implementing measures that ensures customers are not restricted from accessing new offerings for their needs from their current or other providers.

Facilitating interoperability through standardised software and application program interfaces or APIs will allow for the coordination of customer resources to manage network capacity. However, managing cyber security risk is central to ensuring a secure reliable and safe network for customers. We recommend that the AER work with industry to develop standards to ensure that standardised software does not create network-wide cyber security vulnerabilities.

### **Require retailers to ensure customer data is updated in B2B customer datasets**

Limited reporting by third parties, including installers, is undermining the accuracy of B2B customer data sets, for example recording solar PV and battery installations in AEMO's DER register. Requiring retailers to ensure that B2B customer data sets are up to date is critical to improving data accuracy on DER. Accurate data better allows DSOs to identify and efficiently manage emerging network constraints so that the full benefits of DER investments can be realised for all customers. Requiring retailers to provide up-to-date customer contact details will also support networks and aggregators to deliver critical communications and support communities during planned and unplanned outages.