



# Application for Individual Exemption for Lifestyle Manor Bondi (LMB) Retirement Village – April 2017

As an introduction for this Individual Exemption application, Lifestyle Manor Bondi is an Australian Unity Retirement Village that in response to residents requests wants to restructure their existing multi-level retirement village building referred to as 'LMB' as an embedded network so that it can operate as an exempt seller of electricity to the residents residing in Lifestyle Manor Bondi - LMB.

Australian Unity is the owner and operator of this retirement village. Lifestyle Manor Bondi comprises two linked multi-level retirement apartment buildings with the western building referred to as LMB and the eastern building as LMA. LMB is an existing building which has been operating for close to 10 years and is the subject of this application as it is currently not an Embedded Network. LMA is a newer building and is an embedded network under a Retail Exemption (R3) and Network Exemption (NR3).

As stated this individual exemption application relates to LMB to align it with LMA.

This application provides evidence to support the granting of an Individual Exemption for LMB so that the residents within this building can enjoy the same benefits as their fellow residents in LMA.

The residents residing in LMB want their building to be restructured as an embedded network and as such 100% of residents have after receiving documentation explaining the proposals provided their written explicit informed consent in support of the network conversion and retrofit.

Residents have many avenues to enquire about the scheme and any aspects of the proposal and have been encouraged to do so. Despite there being ample opportunity and many avenues of communication with Australian Unity and Network Energy Services there have been no real enquiries about the proposal other than in relation to what will be on-going matters when the electricity on-selling commences, such as whether they can pay by direct debit or at a Post Office (they can pay by those methods along with many other options).

The reasons for the absence of queries reflect the amount of information provided and presentations given to residents with very open discussion sessions but more particularly the confirmation provided to residents of LMB by residents of LMA as they go about their regular community activities and socialising.

Lifestyle Manor Bondi is all the one village so residents mingle constantly and the only difference is that half the village (LMA residents) enjoy the "community electricity scheme" whilst the other half (LMB residents) are denied the opportunity because LMB is not an embedded network.

It should be mentioned that the delay in implementing the embedded network has caused considerable angst among residents who have unfortunately directed their displeasure toward Network Energy Services. There are frequent enquiries re progress from the residents committee.

Australian Unity is a highly credentialed retirement village owner / operator and also an experienced and ethical Exempt Seller of electricity. Australian Unity is the Exempt Seller of electricity in two existing retirement villages namely Victoria Grange (Vermont South, Victoria) and Peninsula Grange (Mornington, Victoria). In both of these retirement villages Australian Unity provides market leading discounts off 40% off the electricity usage rates compared to the Host Retailers (AGL) standing offer tariffs. Australian Unity has been an Exempt Seller of electricity in Victoria Grange for seven years and an Exempt Seller of electricity in Peninsula Grange for five years.

Australian Unity have offered Lifestyle Manor Residents an initial discount of 28% off the Host Retailers Standing Offer usage rates which represents a market leading discount in NSW. It is expected that these discounts will be improved into the future as the performance of the embedded network is reviewed.

It should also be noted that the benefits from the electricity on-selling are also returned to residents in other ways apart from providing cheaper electricity. Village service fees (which pay for nurses, gardening, office management, cleaning etc) can be reduced by using any fiscal surplus from the electricity on-selling activities.

Australian Unity (the Applicant) recognises that consumer protections and disclosure of information are at the core of the AER's exemption guidelines. These philosophies are shared by Australian Unity as will be demonstrated in this application.

# Responses to the General Information Requirements (Appendix B of AER Exempt Selling Guidelines)

### Part A

1. Your legal name. If you are a body corporate or community corporation, please indicate this:

- Legal Name: Australian Unity Retirement Living Services Limited (ABN 17 085 317 595)
- The structure is a retirement village

#### 2. Your trading name if different to your legal name.

• Trading Name: Lifestyle Manor Bondi

### 3. Australian Business Number (ABN) or Australian Company Number (ACN).

• ABN: 17 085 317 595

4. Registered postal address for correspondence. We may verify this information with the Australian Securities and Investments Commission (ASIC) or other relevant agency.

- Postal Address: 24-32 Flood Street, Bondi, NSW, 2026
- 5. Nominated contact person, including their position in the organisation and contact details.
  - Australian Unity Contact: Karen Hart, Retirement Community Manager, Lifestyle Manor Bondi.
    - o 24-32 Flood Street, Bondi, NSW, 2026

- o Ph 02 9389 2777
- Email: khart@australianunity.com.au
- Application Contact: Toby Etchells, Director of Network Energy Services (EN Manager).
  - o Postal Address: PO Box 2296, Mount Waverley, Vic, 3149
  - o Ph: 03 9807 5286
  - o Email: toby@networkenergy.com.au

6. Why you are seeking an individual exemption, and why you believe that an exemption (rather than a retailer authorisation) is appropriate to your circumstances.

• Australian Unity Retirement Living Services Limited is seeking an individual exemption for Lifestyle Manor Bondi LMB because their core business is owning and operating retirement villages and the on-selling of electricity is incidental to their core business.

7. The address of the site at which you intend to sell energy, including a map of the site and a brief description of this site and its current and future use/s.

- Site Address: 24-32 Flood Street, Bondi, NSW, 2026
- The retirement village has two multi-story apartment buildings referred to as LMA and LMB.
- The first building, LMB, became operational in 2010. It did not commence as an embedded network.
- The second building, LMA, became operational in August 2016. It commenced as a greenfield embedded network at this time.
- The individual exemption is being sought for building LMB which has its own separate electrical supply.
- There are no further developments planned within this retirement village.



8. The primary activity of your business (for example, managing a shopping centre).

• The primary business of Australian Unity Retirement Living Services is health and hospital insurance, owning and operating Aged Care facilities and owning and operating retirement villages. Lifestyle Manor Bondi is one of their retirement villages.

9. The form of energy for which you are seeking the individual exemption (electricity or gas). For electricity, please state whether the network you propose to sell is directly or indirectly connected to the main grid or is (or will be) an off-grid network.

- The individual exemption is requested for the sale of electricity within Lifestyle Manor Bondi LMB.
- The village is directly connected to the main grid.

10. Are you establishing, or have you established, energy supply in an area where there are no other viable energy supply arrangements available?

• No

11. The date from which you intend to commence selling energy.

• The planned date is 15<sup>th</sup> July 2017 subject to AER approval.

12. Mailing addresses for premises at the site (where applicable). We may use this information to ensure that potential customers are able to participate in our consultation process.

• Site Address: 24-32 Flood Street, Bondi, NSW, 2026

13. Details of any experience in selling energy, for example: • date/s and location/s of previous operations • form/s of energy sold • scale of operations (that is, the number, size and type of customers) • an explanation of which activities will be conducted in-house and which will be contracted out to third parties.

- Australian Unity is currently the exempt seller of electricity in two existing retirement villages. The details of each of these embedded networks are as follows;
  - Peninsula Grange (Mornington) Commenced as an embedded network in February 2011. There are currently 131 retirement village homes occupied. All customers are residents living within the retirement village.
  - Victoria Grange (Vermont South) Commenced as an embedded network in December 2009. There are currently 110 retirement village homes occupied. All customers are residents living within the retirement village.
- Australian Unity are responsible for the parent meter electricity supply contracts and pay the parent meter bills.
- Network Energy Services perform the meter reading, billing, payment collection and embedded network management services on behalf of Australian Unity.
- Network Energy Services will be the Embedded Network Manager as of December 2017,

14. Whether you currently hold, or have previously held or been subject to, an energy selling exemption or a retail licence (retailer authorisation) in any state or territory. If so, please provide details.

- Australian Unity currently hold AER Network Exemptions for Peninsula Grange (Mornington Victoria) and Victoria Grange (Vermont South, Victoria).
- The building LMA at Lifestyle Manor Bondi has been registered for AER Retail and Network Exemptions.

15. What arrangements you have made in the event that you can no longer continue supplying energy (e.g., has the retailer that sells to you agreed that they will service the customers).

- In the unlikely event that Australian Unity could no longer continue supplying the electricity to residents in Lifestyle Manor Bondi then Australian Unity and Network Energy Services will assist customers to change to a retailer of their choice.
- The metering within the village is currently supplied by the distributor in the Bondi region, Ausgrid. The embedded network metering would be installed by the contestable metering arm of Ausgrid which would assist if the metering were to be restructured back again. The meters that will be installed are Pattern Approved compliant meters capable of being used by other retailers.
- Australian Unity under take to incur any necessary metering costs and take whatever action is required to facilitate resident access to retailers in the event that Australian Unity discontinued electricity on-selling.
- Network Energy Services are experienced with facilitating embedded network customer movements in the Ausgrid region and would liaise with the relevant authorities to facilitate the transition of customers. This role will become easier when the Embedded Network Manager role comes into effect.

# Part B

### Particulars relating to the nature and scope of the proposed operations:

1. Will your customers be your tenants? If so, are they residential or commercial/retail? Are they covered by residential or retail tenancy, or other legislation governing accommodation that is a person's principal place of residence (for example, retirement village legislation, residential parks or manufactured home estates legislation) in your state or territory?

• The customers will be residents within the retirement village. The retirement village residents are covered under the Retirement Villages ACT 1999 (NSW).

2. Are you providing other services (for example, accommodation/leasing of property) to persons on the site who you intend to sell energy to? Or will your only commercial relationship to persons on the site be the sale of energy? If you are providing other services, please specify what these services are, and the contractual or leasing arrangements under which these services are being provided.

- The services provided by Australian Unity to residents within Lifestyle Manor Bondi primarily relate to retirement accommodation and the operation of retirement village facilities..
- Residents enter into a whole of life lease contract arrangement with Australian Unity.

3. What is the total number of customers at the site? Please provide a breakdown between residential and business customers (and whether they are small or large as defined for the jurisdiction in which you intend to operate).

• There are 42 retirement village apartments in Lifestyle Manor LMB and these are all small residential customers.

4. Will you be on-selling energy (that is, selling energy purchased from an authorised retailer) or purchasing it directly from the wholesale market?

• The site will be on-selling electricity and a supply contract will be arranged with a licensed retailer. The energy supply contract will be arranged between Australian Unity and the appointed licenced retailer.

5. What is the estimated aggregate annual amount of energy you are likely to sell (kilowatt hours or megawatt hours for electricity and mega joules or gigajoules for gas) and the average expected consumption of customers for each type of customer you service (that is, residential customers and retail or commercial customers)?

- The forecast annual electricity load across the entire building is 410,000 kWhs.
- The average resident is anticipated to be approximately 3,000 kWhs per annum.

6. Will your customers be wholly contained within a site owned, controlled or operated by you? (For the purposes of this question, a body corporate may be taken to 'operate' premises it oversees).

• Yes, all customers will be wholly contained within this site which is both owned and operated by Australian Unity.

7. Will each premises/dwelling be separately metered? If the application is for a new development or a redevelopment and customers will not be separately metered, please explain why not.

• Yes, all apartments are separately metered.

8. What types of meters will be used? For example, basic/accumulation meters, manually read interval meters or remotely read interval meters? Will these meters allow your customers to change retailers (i.e. not source their energy from you)?

- The electricity meters will be NEM compliant, pattern approved, manually read interval meters that will be supplied and installed by an accredited meter provider namely Ausgrid Business Services.
- The metering infrastructure will enable customers to change retailers if required.

9. If customer dwellings/premises are separately metered, how often do you propose the meters to be read and by whom?

• The electricity meters will be manually read by Network Energy Services (Embedded Network Manager) on a two monthly basis.

### 10. How will you determine energy charges if customers are not separately metered?

• Not relevant. All customers are separately metered.

11. In what form and how often will customers be billed? Will you be issuing bills yourself or through a billing agent?

- Residents will be billed on a bi-monthly (2 months) basis. Exempt customer will receive a physical bill itemising the meter readings, usage and charges that relate to their metered electricity usage and a supply charge for their specific apartment.
- The billing agent will be Network Energy Services.

12. What dispute resolution procedures do you intend to put in place to deal with energy related complaints and issues?

- The dispute resolution process is identified in the Customer Charter that is provided to customers. This process involves;
  - Network Energy Services (Embedded Network Manager) is the first point of contact to resolve a resident query or dispute.
  - In the event that Network Energy Services is unable to resolve the query or dispute it is then referred to the Village Manager.
  - If the dispute is still unresolved the query / dispute can be escalated to EWON. The consumer is able to contact EWON at any stage through this process should they choose.
  - There is also a dispute resolution process identified in Part 8 of the Retirement Villages ACT 1999 (NSW) should the dispute also relate to other services within the retirement village.

13. What energy rebates or concessions are available for your customers and, if applicable, how can customers claim these? AER (Retail) Exempt Selling Guideline – version 4 – March 2016 47

- Yes there are a number of energy rebates available to these consumers.
- Network Energy Services (ENM) will provide concession information and application forms to eligible residents at the commencement of each financial Year. There are a number of energy concessions that are available to NSW concession card holders which include;
  - Low Income Household Rebate
  - o Medical Rebate
  - Life Support Rebate
- Consumers will claim their rebate by completing an application form, attaching a copy of a
  recent electricity bill and submitting the application to the NSW Government Department.
  The Department of Industry, Resources & Energy pay the rebate directly into the nominated
  bank account of the eligible concession card holder.

14. Will you make energy efficiency options available to your customers? Will your network incorporate solar or other generation options for sustainability purposes? If so, will you use gross or net metering?

- The electricity meters that will be installed at Lifestyle Manor Bondi are solar compatible meters in the event that solar is installed.
- Please note: being a multi-story apartment building and there is only common space on the roof of the building.

15. Please provide any further information that you consider would assist us to assess your application

There are three important considerations that we request be considered when assessing the application for Lifestyle Manor Bondi LMB;

- 15-1. The Lifestyle Manor Residents Committee and the residents in building LMB have very actively expressed their strong desire for their building to be restructured as an embedded network so that they can also have the option of purchasing discounted electricity off Australian Unity, as is currently the case for residents in building LMA. Following the Information Sessions and Information provided over the past year and a quarter and having received documentation and information about the conversion to the embedded network 100% of LMB residents have provided their signed explicit informed consent for Embedded Network Conversion (Refer attached Appendix A). The residents in LMB are also in the unique situation whereby they socialise with their fellow residents residing in LMA to understand their experience of purchasing their electricity off the Exempt Seller and their experience of dealing with Network Energy Services (ENM). It is fair to say that the residents of LMB are particularly well informed regarding electricity onselling at Lifestyle Manor Bondi and the conversion of LMB to an embedded network.
- 15-2. The Information sessions and the disclosure documentation provided to LMB residents over the past year and a quarter has been a thorough process that has enabled the LMB residents and their families to clearly understand the concept and proposal, ask questions and resolve any concerns that they have had. The feedback that the AER have provided in previous meetings and correspondence has been incorporated into the documentation that has been provided to LMB resident provided in Appendix A.
- 15-3. That there have been no queries from residents can be attributed to the education process and also the self-education through LMB residents socialising (and asking questions) with LMA residents. The residents are themselves driving this process.
- 15-4. Australian Unity is an ethical retirement village operator and an ethical Exempt Seller of electricity to residents in their existing embedded network retirement villages. As such Australian Unity have undertaken in this application to adopt measures that ensure that residents can exercise their right of choice without incurring any financial detriment. Australian Unity also undertake that consumers who exercise their right to purchase off a

licensed retailer will not be billed by Australian Unity for anything related to electricity. These measures are explained in the following section relating to Migration of Detriment.

If you are planning to convert a site to an embedded network. Your application needs to address all of the questions above as well as the following:

Sections 4.4 and 7.2.1 of the guideline set out our approach to assessing individual applications involving brownfield embedded networks. As part of your application to sell energy through a planned brownfield embedded network, you should clearly address the four criteria described in Section 7.2.1 and provide supporting documentation as necessary.

# 7.2.1 Assessing an Application involving Retrofits

# Part C

### 1. Migration of detriment: Retail contestability and competitive offers;

- A. advice sought from the distributor whether (and how) non-consenting energy customers can be left out of the network conversion
  - Network Energy Services (Embedded Network Manager) has consulted with the distributor Ausgrid to clarify the process for non-consenting energy customers can be left out of the network conversion. NES have had previous experience with facilitating non-consenting energy customers to remain as a customers of their licenced retailer. The process will involve;
    - Consumers indicate their intention to remain with their existing electricity retailer.
    - Network Energy Services will liaise with Ausgrid to arrange the allocation of a 'Child' NMI.
    - Network Energy Services will provide the consumer with an Ausgrid NMI Abolishment Form. This enables the consumers existing NMI to be replaced with the Child NMI.
    - Network Energy Services will liaise with the parent meter retailer to ensure that the consumption from the On-market child is subtracted away from the parent meter.
  - Ausgrid Metering Services have advised regarding the metering and data collection requirements for non-consenting energy customers.
  - Residents in Lifestyle Manor Bondi LMB have been advised of their Right of Choice to purchase their electricity off a licenced retailer or the Exempt Seller. Residents have also been informed that they will not incur any meter costs or data collection charges for consumers who choose to purchase their electricity off a licenced retailer.
  - Customers cannot be wired out of the embedded network due to the electrical layout of a multi-story building however this does not in any way inhibit the ability of a resident to access to licensed retailers.

#### B. ongoing cooperation with retailers and distributors to facilitate access to competition

- As previously noted, Network Energy Services has consulted with Ausgrid (distributor) and Ausgrid Business Services (metering arm of Ausgrid) regarding their requirements to facilitate customer access to completion.
- In the lead up to the commencement of the embedded network, Network Energy Services will liaise with all retailers of customers to advise them;
  - Customers joining the embedded network require a final bill as at the commencement date of the embedded network.
  - Customers remaining with their current retailers a new 'child' NMI has been allocated by the distributor and this can be itemised on the bills that they issue to the consumer.
- C. processes to ensure customers who choose to purchase from an authorised retailer do not pay double network charges and acknowledging that responsibility lies with the exempt seller (i.e. the applicant)
  - Australian Unity will not seek to impose a network charge on a 'child' unless it becomes apparent that the consumer is receiving an 'energy only' bill whereby the consumer is not incurring a network charge from their retailer.
  - The means by which the Exempt Seller would become aware of the child receiving an 'energy only' bills would be;
    - The consumer actively showing a copy of the bill within the village so that a bill can be sighted.
    - The retailer advising that they are only imposing an 'energy only' charge on the resident's account. The Exempt Seller would then contact the consumer and obtain confirmation that they are only receiving a usage charge on their account.
  - In this situation, Network Energy Services, working on behalf of the Exempt Seller would provide the consumer with a bill for the network charge at a rate which is equal to the regulated network component.
  - Australian Unity acknowledges that the responsibly for not double billing the network charges residents with the Exempt Seller, and not the consumer.
- D. maintenance of consumer price and service quality at a level that would be competitive in the market. This may involve options around price matching for affected customers.
  - In relation to the electricity offer provided to residents, Australian Unity has shown a long history of providing market leading electricity discounts to the residents in their other embedded network villages (Peninsula Grange and Victoria Grange). This is also the case at Lifestyle Manor Bondi.
  - Network Energy Services (billing service provider / Embedded Network Manager) specialises in working with the over 55's and retiree segment providing specialise customer service, which includes having on the ground staff who even visit elderly customers who have queries that cannot be resolved over the phone.

- Australian Unity Village Staff also provides an additional layer of support for residents with queries.
- Price Matching In the event that a consumer identifies a preferable market offer, the Exempt Seller is willing to match the offer, whether that be as an ongoing pricing policy or will at least match the offer until that customer has made their transition across to the licenced retailer providing that preferred offer.
- The objective of the Exempt Seller and Embedded Network Manager is to provide an environment where residents receive better rates and great service so that the consumer want to remain in the embedded network.

#### 2. Migration of detriment: Customer Dispute Resolution;

- a) a dispute resolution process that meets (as a minimum) Australian Standards: AS/NZS 10002:2014 Customer Satisfaction Guidelines for complaints handling in organisations
  - Network Energy Services (Embedded Network Manager) has a dispute management process that accords with Australian Standards AS/NZS 10002:2014. The dispute process has been outlined in Form C – Customer Charter. The process involves the following steps;
    - Network Energy Services is the first point of contact to receive the customer query or concern. The correspondence and nature of query are logged.
    - The query will be investigated and will be responded to by Network Energy Services. The response to be logged.
    - Further dialogue and correspondence will occur with the consumer. With the relevant dialogue being logged.
    - If Network Energy Services have been unsuccessful to resolve the matter, then the concerns will be raised with the Lifestyle Manor Village Manager.
    - A conciliatory approach to resolving the consumer's concerns will be undertaken involving Lifestyle Manor Management.
    - If the dispute is still unresolved then the resident has the option of referring the query to EWON as outlined in Form C – Customer Charter. The consumer has the right to contact EWON at any point in this process.
    - There is also a dispute resolution process identified in Part 8 of the Retirement Villages ACT 1999 (NSW).
- b) a process for informing customers of whether they can access an ombudsman or tribunal if unsatisfied with internal dispute resolution.
  - Form C Customer Charter informs residents that they have access to EWON and also outlines the dispute resolution process.
  - Part 8 of the Retirement Villages ACT 1999 (NSW) provides additional escalation procedures should the complaint extend to other issues relating to village operation.

#### 3. Migration of detriment: State or Territory Legislation

- any known adverse consequences for energy customers in particular states or territories joining embedded networks and the applicant's efforts in countering these. For customers in Queensland, for example, child meters are not accessible to market retailers and this alone, may be enough to reject an application.
  - Customers in NSW have access to full retail competition whether that be the embedded network or a licenced retailer.
  - The NSW State Legislation supports right of choice for consumers.
  - The Exempt Seller and Embedded Network Managers are aware of the processes to facilitate consumers exercising their choice within the NSW legislative framework.

#### 4. Migration of detriment: Efforts to Obtain Explicit informed Consent

- a) clear communication with customers, including about their rights, protections and obligations, to allow them to make an informed decision about entering into an embedded network
  - Australian Unity and Network Energy Services have conducted a thorough process of communication with LMB residents since the process began in October 2015.
  - Consultation and feedback from the AER during 2016 resulted in revised documentation being provided to LMB residents and a further presentation forum to address important disclosures and answer queries.
  - $\circ$   $\;$  The information / presentation sessions provided to LMB occurred on;
    - 27th October 2015
    - 9<sup>th</sup> December 2016
  - An electricity sales pack was provided in October 2015 and was re-issued in December 2016 incorporating the AER amendments and Embedded Network Conversion Agreement. The pack was provided to all residents.
  - The documentation included an electricity supply customer charter outlining the Exempt Sellers responsibilities to the residents / customers.
  - Having read the information provided 100% of residents signed and provided their explicit formed consent for the conversion to an embedded network.
- b) opportunities for customers to raise concerns, including that you have specifically advised them of the AER's formal public consultation process, and any attempts made by the applicant to discuss and/or mitigate those concerns
  - As previously noted, public presentations and forums has already occurred on 27<sup>th</sup>
     October 2015 and 9th December 2016 which provided a question and answer forum.
  - Residents were invited to contact Network Energy Services or Village Management with additional questions. Queries could be raised by phone or email.
  - Monthly Resident Committee meetings are held with Australian Unity management where queries are also raised by the representative body of the residents.

- In relation to advising residents of the AER's consultation process, a letter was sent to all residents on 14<sup>th</sup> of May 2016, informing residents of the process being undertaken for Australian Unity to obtain an Individual Exemption and advising residents that they would have the opportunity to make submissions to the consultation process.
- Once this application moves to the consultation phase then further information will be provided to guide LMB residents on how then can participate in this process.
- LMB residents have casually discussed the electricity on-selling scheme with their fellow residents in LMA who have experienced the scheme for more than a year. It is fair to say that LMB residents are very informed perhaps to the extent that they know that they are deprived by not being in the community electricity scheme.
- c) regard for the capacity of affected customers to provide voluntary informed consent, for example, English literacy skills, physical or intellectual disability may affect a person's capacity to provide consent and
  - Lifestyle Manor Bondi provides in-house assistance to residents living within the facility with the concierge and Retirement Village Management being located on the ground floor of LMB for residents requiring assistance with interpreting the material.
  - Network Energy Services customer service team which is also dedicated to working with retirement villages and we have fielded queries from residents and their families who have queried the documentation provided. Network Energy Services staff are fluent in a number of languages.
- d) a process that demonstrates collection of voluntary consent from customers.
  - The electricity welcome packs have been distributed in the mail boxes of residents living within LMB which provides the opportunity to consult with their partners, friends and families.
  - The presentation on 9<sup>th</sup> of December and associated documentation has stressed that all consumers retain their right of choice.
  - Residents returned their signed consent forms to the village office.

# Part D

16 In addition, please confirm that:

a) You have advised tenants /customers that you are planning to retrofit the site as an embedded network.

- o Yes.
- 100% of Lifestyle Manor LMB residents have after being presented with documents explaining the proposal signed and returned their Embedded Network Conversion Agreement providing explicit formed consent for their retirement village building to be retrofitted as an embedded network.

b) You have informed tenants / customers that the AER consults on individual exemption applications and provided them with information about how to make a submission to the AER's consultation process (this information can be found on the AER website

- A notice was sent to residents on the 14<sup>th</sup> of May 2016 advising resident in LMB that an Individual Exemption has been applied for with the AER and that there will be a consultation whereby residents can provide a submission to the AER.
- Once the consultation process begins then an additional notice will be provided to LMB residents advising LMB residents on how they can participate in the consultation process.

c) You will advise tenants / customers when the application is published for consultation and when the consultation period ends.

• Yes we will advise tenants / customers when the application is published for consultation and when the consultation period ends.

17 You must include a copy of the advice you gave tenants / customers about the proposed retrofit in your application. This advice must include details about how the conversion will affect the tenants' / customers' ability to access a retailer of choice. We may also require you to provide evidence of tenants' / customers' explicit informed consent to the proposed retrofit.

- o The requested documentation is provided as follows
  - Appendix A Sale of electricity documentation (Form A,B,C & D)
  - Appendix B Embedded Network Conversion Agreement (Form E)
  - Appendix C Letter informing residents of the AER consultation process.
  - Appendix D Responses to Additional Queries raised by the AER.