Caravan & Camping INDUSTRY ASSOCIATION NSW | Manufactured Housing INDUSTRY ASSOCIATION NSW | Land Lease Living INDUSTRY ASSOCIATION NSW

15th January 2018

Mr Chris Pattas
General Manager, Networks
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

By email: aerinquiry@aer.gov.au

Submission on Draft AER Electricity Network Service Provider Registration Exemption Guideline Version 6 November 2017

The Caravan, Camping & Touring Industry & Manufactured Housing Industry Association of NSW Ltd (CCIA) is the State's peak industry body representing the interests of holiday parks, residential land lease communities (residential parks, including caravan parks and manufactured home estates), manufacturers and retailers of recreational vehicles (motorhomes, campervans, caravans, camper trailers, tent trailers, 5th wheelers and slide-ons), suppliers of camping equipment and manufacturers of relocatable homes.

We currently have as members 722 businesses representing all aspects of the caravan and camping industry and residential land lease community industry. Of these, 474 members are holiday park and residential land lease community operators in various areas of New South Wales (NSW).

Under the Australian Energy Regulator's (AER) *Electricity Network Service Provider Registration Exemption Guideline Version 5* (Network Guideline) and *(Retail) Exempt Selling Guideline Version 4* (Retail Guideline) our holiday park and residential land lease community members are classified as follows:

Embedded Network Type	AER Exemption Classes
Operator selling metered energy to occupants of holiday accommodation on a short-term basis in a caravan/holiday park	Class **D3** of the Retail Guideline and Class **ND3** of the Network Guideline Do not need to register their details with the AER, however are required to comply with Conditions attached to their exemption
Operator selling metered energy to residents who principally reside in the caravan park/residential park or manufactured home estate	Class **R4** of the Retail Guideline and Class **NR4** of the Network Guideline Must register their details with the AER and comply with Conditions attached to their exemption
Operator selling metered energy to occupants of holiday	Class **R4** of the Retail Guideline and Class **NR4** of the Network Guideline

P: 02 9615 9999 | F: 02 9615 9998 | admin@cciansw.com.au | PO Box H114, Harris Park NSW 2150
www.caravan-camping.com.au | **www.landleaseliving.com.au**
ABN 63 002 223 449

accommodation on a short-term basis **as well as** residents who principally reside in the caravan/holiday park (mixed park)	Must register their details with the AER and comply with Conditions attached to their exemption ***NOTE:*** *Even if a caravan park has only 1 permanent resident, they are required to register their details with the AER under Class **R4** of the Retail Guideline and Class **NR4** of the Network Guideline, even though the majority of their customers are holiday makers.*

For the purpose of these submissions, wherever we refer to "holiday parks" we are referring to caravan parks that only supply energy via an embedded network to occupants of holiday accommodation on a short-term basis (i.e. there are no permanent residents in these caravan parks). Wherever we refer to "residential land lease communities" we are referring to residential parks, including caravan parks and manufactured home estates, that supply energy via an embedded network to residents who live there. This includes caravan parks that supply energy to as few as 1-2 residents (mixed parks) right through to residential land lease communities that are exclusively residential.

As the peak industry body representing holiday parks and residential land lease communities in NSW with embedded electricity networks, the CCIA is an important stakeholder in relation to the *Draft AER Electricity Network Service Provider Registration Exemption Guideline Version 6 November 2017* (Draft Guideline). Accordingly, we welcome the opportunity to provide a response to the draft proposals. Our submissions on each of the proposed changes as relevant to our sector are set out below.

Dispute Resolution and Membership of Energy Ombudsman Scheme – Conditions 4.1.6 and 4.1.13

We maintain that because NSW holiday parks and residential land lease communities are subject to additional regulatory controls at the State level, current external dispute resolution arrangements for embedded network customers in our industry are long-standing, appropriate and effective. There will likely be no additional benefit to exempt customers in our sector from expanding the NSW ombudsman scheme jurisdiction.

The primary relationship between embedded network customers and embedded network operators in NSW holiday parks is an arrangement for holiday accommodation. The primary relationship between embedded network customers and embedded network operators in NSW residential land lease communities is one of tenancy. This means these customers have multi layered protections under other legislation and their agreements, and have had effective dispute resolution mechanisms for a number of years.

As previously submitted to the AER, most holiday parks and residential land lease communities in NSW are older developments that have evolved over time and the embedded networks within them have come about through circumstance. In most cases, there was no conscious business decision to create an embedded network. The infrastructure is generally older and owned by the operator.

Many caravan parks were originally camping grounds on reserves of Crown land in coastal areas outside the capital cities, squatted by people who had lost their homes and who had no housing alternative to living in tents, shacks and vans. The reserves were converted to caravan parks after the Second World War and maintained by local councils, although most parks had little in the way of communal facilities.

In 1986 legislation was passed which legalised long-term occupancy of sites and set minimum standards for caravan park residency and in 1992 *State Environmental Planning Policy (SEPP) 21 – Caravan Parks* was introduced, encouraging *"the orderly and economic use and development of land used or intended to be used as a caravan park catering exclusively or predominantly for short term residents (such as tourists) or for long-term residents, or catering for both."*[1]

The *Residential Tenancies Act 1987* originally covered permanent residents of residential parks. However, it later became clear that there were so many differences between tenancies in parks and other residential tenancies that separate legislative provisions were necessary. As a result, the *Residential Parks Act* was enacted in 1998, and a range of protections were secured for residents, including effective dispute resolution mechanisms.

Under the NSW Fair Trading *Customer Service Standards for the Supply of Electricity to Permanent Residents of Residential Parks* residents were able to make an application to the NSW Civil and Administrative Tribunal (NCAT) (previously the Consumer, Trader and Tenancy Tribunal) regarding electricity disputes or make application to the Energy and Water Ombudsman (NSW) Ltd (EWON) for investigation of complaints.

These dispute resolution mechanisms have been maintained under the current legislation, the *Residential (Land Lease) Communities Act 2013* (RLLC Act) and the *Residential (Land Lease) Communities Regulation 2015* (RLLC Reg). NCAT is also able to hear and resolve disputes for holiday park customers under the *Holiday Parks (Long-term Casual Occupation) Act 2002* (HP Act).

Further, NSW Fair Trading provides free information about consumer rights and options to resolve disputes with traders, including embedded network customers in holiday parks and residential land lease communities, and can contact the operator and attempt to negotiate a settlement. We, as the peak industry body, also provide members with advocacy services and resources and legal information regarding their obligations. We estimate that this coverage extends to approximately 75% of long-term and short-term sites within NSW holiday parks and residential land lease communities.

Accordingly, under NSW legislation customers of embedded networks in holiday parks and residential land lease communities already have access to free and independent dispute resolution provided by EWON and NSW Fair Trading, as well as access to NCAT.

[1] *Clause 3, State Environment Planning Policy No 21 – Caravan Parks*

The operators of residential land lease communities know their residents well and in many cases, managers live on site. They are not large, faceless landlords who try and avoid their obligations to properly manage the embedded network and facilitate customer access to dispute resolution. These businesses are highly regulated by State legislation and it is in their interest to minimise disputes.

In order to take proper account of exempt entities such as NSW holiday parks and residential land lease communities, and maintain a proportionate regulatory burden, our position is that dispute resolution requirements in the exemptions framework should continue to take a hierarchical approach. An exempt entity should only be required to join an ombudsman scheme where a relevant external dispute resolution body does not already exist.

NSW Fair Trading and EWON already provide high quality, independent dispute resolution services and information to residents and occupants in holiday parks and residential land lease communities. Operators generally comply with any decision of EWON in relation to a complaint or dispute regarding the provision of connection services or the supply of electricity. The issue appears to be EWON's ability to recover fees and charges and growing retailer and distributor concerns about the cross-subsidy to exempt sellers, even though the proportion of complaints from our industry is extremely low.

Requiring NSW holiday parks and residential land lease communities to become members of EWON would not in any way improve their customers' access to effective external dispute resolution. They already have it. All this will do is impose yet another cost burden on businesses that are highly restricted in their ability to recover costs associated with their embedded networks.

We reiterate that in NSW holiday parks and residential land lease communities, energy on-selling is generally not a source of profit when all costs are taken into account. There are limits imposed on charges by the AER guidelines, as well as State legislation, and any savings which are made are more likely used to cover ongoing costs of running the business.

While there may be growth in the embedded network sector generally, with landlords looking to energy on-selling as a means of supplementing their rental income, there is no rapidly increasing development of holiday parks and residential land lease communities in NSW with dedicated embedded networks. As such, the number of energy disputes in this sector of the embedded network space is unlikely to escalate.

Changes to the existing system in our industry are unnecessary for the overall net benefit and would be disproportionate to the risks being managed by the AER. Accordingly, we do not support proposed Conditions 4.1.6 and 4.1.13 of the Draft Guideline.

We also raise the following issues:

1. The reference to "Australian Standard AS ISO 10002-2014 (*Customer satisfaction-Guidelines for complaints handling in organisations)* in Condition 4.1.6 requires clarification.

   As indicated at the AER Exemption Guidelines Review Forum on Thursday 14th December 2017, International Standard ISO 10002:2014 (*Customer satisfaction - Guidelines for complaints handling in organizations*) and the Australian Standard AS/NZ 10002:2014 (*Guidelines for complaint management in organizations*) are different documents.

An article by CompliSpace "Two new '10002' complaint handling standards – now that's confusing" provides a useful summary, noting that ISO 10002:2014 is "client focussed" whereas AS/NZS 10002:2014 is "process-driven."[2]

Is the AER's intention that AS/NZ 10002:2014 applies? Condition 4.1.6 (c) (ii) of the current Network Guideline references AS/NZS 10002:2014. The preface to that Standard states:

> *"This Standard is based on but not equivalent to ISO 10002:2004, Customer satisfaction—Guidelines. This revised edition is intended for complaint management in organizations, incorporating new perspectives and approaches to complaint handling that have proved effective over recent years, and reflects the trend away from quality management approaches in the complaint management/dispute resolution field."*

Before we can comment on suitability, clarity is needed regarding the exact standard to apply. For example, we are concerned that less sophisticated exempt embedded network service providers may struggle with some aspects of a standard that, in any event, may not be critical to an effective internal dispute resolution system for their customers. We also want to avoid any unnecessary administrative burden.

We note we have raised this same query in our submission to the *Draft AER (Retail) Exempt Selling Guideline Version 5 November 2017.*

2. Should the AER proceed with the proposals, the wording of Condition 4.1.13 will need to take account of flexible arrangements for ombudsman membership. For example, in our recent discussions with EWON, consideration is being given to a 'peak body' membership for residential land lease communities – our Association would become a member of EWON and this membership would extend to each of our residential land lease community members (which includes mixed parks). We understand that holiday parks would be exempt from the requirement to be a member of EWON.

   The proposed wording *"be a member of, or subject to, an energy ombudsman scheme…"* in Condition 4.1.13 (a) appears to suffice and should remain consistent in the Retail Guideline and Network Guideline.

Exemption Classes

Clarification is needed in relation to the wording for classes ND3 and NR4 in *Table 1 – Deemed classes of exemption – energy supply* and *Table 3 – Registrable classes of exemption – energy supply.*

Table 1 - Deemed classes of exemption – energy supply

Class	Activity
ND3	Persons supplying metered or unmetered energy to occupants on holiday accommodation on a short-term basis.[23]

[2] https://www.complispace.com.au/blog/financial-services-updates/two-new-10002-complaints-handling-standards-now-thats-confusing/

Proposed footnote 23 states *"This category applies to casual and annual renewal residents of caravan parks and like accommodation but does not include residents who primarily reside there – see Activity Class NR4."*

We are concerned by the use of the term "*annual renewal residents*" in proposed footnote 23. Occupants of holiday accommodation in holiday parks are never "residents" and should not be referred to as such. To do this causes confusion for operators and customers. We request that this wording be changed to "annual renewal occupants," or similar, to avoid confusion and maintain consistency with the exemption class activity wording.

Table 2 – Registrable classes of exemption – energy supply

Class	Activity
NR4	Persons supplying metered or unmetered energy in caravan parks, holiday parks, residential land lease parks and manufactured home estates to residents who principally reside there.

We note that section 45 of the RLLC Act allows a home owner to enter into a tenancy agreement for, or otherwise sub-let, the residential site or the home located on it, with the written consent of the operator of the community.

As currently drafted, the class criteria for Class NR4 may inadvertently not take account of customers that have sub-let their residential site or dwelling. Clarification is needed and, in turn, a further change to footnote 23 may be required.

Life Support Customers

We note that minor drafting amendments have been made to Condition 4.1.10. While this does not really change the obligation of the exempt embedded network service provider, an issue has come to light regarding the requirement to notify the child connection point retailer when they are informed of life support requirements at a child connection point.

Will an exempt embedded network service provider know who the child connection point retailer if the customer or retailer does not advise them? If not, does this absolve the exempt embedded network service provider of the responsibility? The wording in the condition suggests the answer is no. Can the ENM provide this information or do privacy considerations apply? Clarification is needed on this issue.

Metering installation and NEM requirements

Clarification of who pays for a meter upgrade in Condition 4.2 in a table format is helpful and we support this amendment, subject to paragraph (d) being further amended (highlighted in red) as follows:

> *(d) a customer, market retailer or other person provides a replacement metering i*
> *~~(d) i~~nstallation of their own volition and at their own cost.*

We are, however, concerned by the following amendment (highlighted in blue) to the basic exemption conditions on pages 17-18 of the Draft Guideline:

> ***2.1.1 Basic exemption conditions***
>
> *There are five basic requirements for exempt networks. An exempt person must:*
> *…*
> - *Ensure that electricity meters:*
>
> - *Comply with National Measurement Act 1960 (Cth) requirements for electricity meters installed from 1 January 2013 and other applicable Australian standards; and*
> - *from 1 December 2017, where a jurisdiction has adopted the AEMC Power of Choice reforms, are compliant with the minimum specification for advanced metering;*

Our understanding is that the 'minimum services specification' under the *AEMC's National Electricity Amendment (Expanding competition in metering and related services) Rule 2015 No. 12* applies to customer connection points that are part of the NEM (i.e. on-market customers serviced by a retailer). Except in two defined circumstances[3] all new and replacement meters installed at small customer connection points must be capable of providing the following services:

- remote disconnection service,
- remote reconnection service,
- remote on-demand meter read service,
- remote scheduled meter read service,
- metering installation inquiry service, and
- advanced meter reconfiguration service.

We are concerned that the above amendment to the Network Guideline will be misinterpreted, with potentially disastrous consequences for holiday parks and residential land lease communities. Our specific concerns are:

1. The drafting of this amendment appears to expand the minimum services specification to off-market customer connection points. If this is the case, could an operator of an embedded network within a holiday park or residential land lease community - who needs to replace off-market child meters because they are no longer working correctly, or is choosing to make some upgrades and is paying for the upgrade – be faced with having to also upgrade the surrounding infrastructure to accommodate advanced meters capable of providing these services, even though customers have not sought to go on-market?

[3] *We note these two circumstances are a) where the Metering Coordinator demonstrates to AEMO's reasonable satisfaction that there is no existing telecommunications network which enables remote access to the metering installation at that connection point and b) where the customer has communicated its refusal to have a meter that meets the minimum services specification (i.e. a meter that is capable of remote access) installed. In both cases, while a Metering Coordinator must install a metering installation that is capable of providing the minimum services set out in the minimum services specification, the metering installation is not required to be connected to a telecommunications network to enable remote access. These metering installations will be classified as type 4A metering installations.*

If this is not the case, and the requirement only applies to child connection points where an embedded network customer has gone on-market, then the amendment imposes an obligation on an exempt embedded network service provider to ensure that an advanced meter installed by a third party (e.g. customer or retailer) is compliant. This is not appropriate and should be the responsibility of the third party.

2. The use of the word "are" suggests the requirement is retrospective and from 1 December 2017 exempt embedded network service providers must ensure existing meters are upgraded to be compliant with the minimum specification for advanced metering (even if they are working and were compliant at the time of install).

3. The amendment appears to contradict part 4.2.2.2 of the Network Guideline, which states:

   4.2.2.2 Competition in metering rule change

   From 1 December 2017, the Competition in Metering rule change applies to NEM metering installations. Where an ENM must be appointed in a State or Territory under this guideline, the current functional specification for new or replacement metering installations under the NER applies to all new embedded networks and to any rebuild of an existing network which involves a replacement of more than 50% of the then active metering installations.

   The amendment makes no mention of any 50% threshold of active metering installations, which suggests that any new or replacement metering installations would be captured. This is inconsistent.

As previously raised with the AER, we have noted that:

- Almost 100% of energy meters in caravan parks are simple, 'read only' kWh meters. They read and record in kilowatts, via a visual register, the electricity consumed by the customer.
- The rollout of Smart Meters within Australia saw meters that read and record kWh consumed at 30-minute intervals. That information is then transmitted remotely to the retailer, who forward the charges to their customer.
- Energy retailers use a number of different remote communication technologies to read their customer's meters, none of which are able to be used by the simple 'read only' meters currently in the parks.
- Due to most parks site size constraints, the powerheads have traditionally been designed to be as compact as possible. Manufacturers have tried to source the smallest electrical components for the powerheads. This is especially true for kWh meters, which for a powerhead servicing four sites, will require four kWh meters. Attached is a picture of a current kWh meter and a typical energy retailer's Smart kWh meter for comparison.
- Larger advanced meters would not fit into any powerheads currently on the market in Australia.

The industry is highly concerned that the regulatory provisions will trigger mass and/or expensive infrastructure upgrades in holiday parks and residential land lease communities.

If the AER's intention is that the above amendment to part *2.1.1 Basic exemption conditions* is a requirement that only applies to metering installations in holiday parks and residential land lease communities that are new or replaced after 1 December 2017, and only where a customer seeks to go on-market (who would pay for the upgrade), then this section needs redrafting, or at the very least, clarification through a footnote to make this abundantly clear.

We request the AER make a clear concession for holiday parks and residential land lease communities. They should not have unworkable requirements forced upon them at great expense for very little gain. If customers in holiday parks and residential land lease communities have not sought to go on-market, there is little need (if any) for advanced meters.

Therefore, operators of holiday parks and residential land lease communities who initiate metering upgrades where there are no on-market customers should be permitted to make the type of infrastructure upgrades that are most appropriate and cost effective for their circumstances. The existing requirement in the Network Guideline for meters to comply with National Measurement Act 1960 (Cth) requirements for electricity meters installed from 1 January 2013 and other applicable Australian standards is sufficient for our sector.

Metering operation and maintenance

We have no issues with the proposed amendments to Condition 4.3 *Metering operation and maintenance*. However, as the requirements for metering under the NER are quite technical in nature, we request the AER give consideration to developing additional resources (i.e. factsheets, guidelines, etc) in plain English explaining the requirements to assist less sophisticated exempt embedded network service providers to fully understand their obligations. This would also assist in making things clearer for consumers who are concerned about the operation and maintenance of their metering installations.

Clarification of ENM Trigger Point

The amendments made on page 56 of the Draft Guideline to clarify the trigger point for appointing an ENM, particularly for exemption activity class NR4, are welcome. However, the wording within Condition 4.4.2.1 is still potentially confusing:

> *For an exempt embedded network with 29 or fewer small customers or class NR4, an ENM trigger event occurs when the following is satisfied:*
>
> *(a) a customer or a retailer notifies the exempt embedded network service provider of the desire of the customer to access retail competition; and*
>
> *(b) where an eligible member of an eligible community notifies the exempt embedded network service provider as provided for in condition 4.7.2 that the customer does not accept a binding written price counter–offer; and*
>
> *(c) the cooling off period for that market retail contract has expired.*

The use of the word "and" in points (a) and (b) suggests that both these criteria are required to be satisfied in addition to point (c) for the appointment of an ENM, but our understanding is this will only be the case where a poll of eligible community members has already been held to delay the appointment of an ENM for the purpose of price-matching.

If this hasn't happened, then the rule is that an ENM must be appointed if a customer enters a market retail contract for the sale of energy at the relevant child connection point and the cooling off period in relation to that contract has expired (a 'trigger' event).

To clarify the distinction, we suggest the following amendment:

> *For an exempt embedded network with 29 or fewer small customers or class NR4, an ENM trigger event occurs when the following is satisfied:*
>
> *(a) a customer or a retailer notifies the exempt embedded network service provider that they have entered a market retail contract for the sale of energy at the relevant child connection point and the cooling off period for that market retail contract has expired, OR*
>
> *(b) a customer or a retailer notifies the exempt embedded network service provider of the desire of the customer to access retail competition; and*
>
> *i. the mechanism for eligible communities to not appoint an ENM immediately as provided for in condition 4.7.2 has been invoked, and*
> *ii. an eligible member of an eligible community notifies the exempt embedded network service provider as provided for in condition 4.7.2 that the customer does not accept a binding written price counter–offer; and*
> *iii. the cooling off period for that market retail contract has expired.*

Charge Groups A and B

We note the proposed amendments to Condition 4.6 to consolidate charge groups A and B and clarify that charge group A is an all-inclusive tariff and charge group B is an external network charge only (relevant to on-market embedded network customers). The AER has noted on page 62 of the Draft Guideline that "*there is no change in requirements*".

However, we are concerned by the use of the term "*all-inclusive tariff*" for charge group A and the removal of the wording around shadow pricing.

In NSW, the RLLC Act and RLLC Regulation provide for the following in relation to utility charges:

> ***Residential (Land Lease) Communities Act 2013:***
>
> ***76 Limit on amounts payable by home owner***
>
> *(1) The only fees and charges that may be required or received by the operator of a community from a home owner in connection with the occupation of a residential site, or the use of any of the facilities of a community, are as follows:*
>
> *(a) site fees, including site fees payable in advance as permitted under section 57,*
> *(b) the cost of registering or recording the site agreement under the Real Property Act 1900 if any fixed term period exceeds 3 years,*

(c) a refundable deposit for a key or any other opening device to access the community, not exceeding $25 or another amount prescribed by the regulations,

(d) other fees, charges and deposits required or permitted by this Act or the regulations.

77 Utility charges payable to operator by home owner

(1) This section applies if, under a site agreement, the home owner is required to pay utility charges to the operator for the use by the home owner of a utility at the residential site.

(2) The home owner cannot be required to pay for the use unless:

(a) the use is separately measured or metered, and

(b) the operator gives the home owner an itemised account and allows at least 21 days for the payment to be made.

(3) The operator must not charge the home owner an amount for the use of a utility that is more than the amount charged by the utility service provider or regulated offer retailer who is providing the service for the quantity of the service supplied to, or used at, the residential site.

Maximum penalty: 20 penalty units.

(4) The regulations may:

(a) provide for a maximum utility charge payable by home owners to the operator, and

(b) create an offence for an operator to request or receive more than that maximum charge (if any).

(5) The regulations may provide that a service availability charge for electricity payable by home owners to the operator of a community is to be discounted in accordance with the regulations where less than 60 amps are being supplied.

Residential (Land Lease) Communities Regulation:

13 Maximum service availability charge—electricity

(1) The maximum service availability charge payable, in respect of any period, by a home owner to the operator for the supply of electricity at a residential site is the amount that would have been payable for the period if the electricity had been supplied to a small customer under a standard retail contract of the applicable local area retailer at standing offer prices.

(2) Despite subclause (1), the service availability charge payable by a home owner to an operator of a community for supply at a residential site of less than 60 amps of electricity is to be discounted in accordance with subclause (3).

(3) The maximum service availability charge payable by a home owner to an operator for supply at a residential site of less than 60 amps of electricity is:

(a) if less than 20 amps of electricity is supplied to the residential site—20 per cent of the service availability charge that would apply if the home owner were a small customer under a standard retail contract of the applicable local area retailer, or

(b) if 20 amps or more but less than 30 amps of electricity is supplied to the residential site—50 per cent of that service availability charge, or

(c) if 30 amps or more but less than 60 amps of electricity is supplied to the residential site—70 per cent of that service availability charge.

(4) In this clause, local area retailer, small customer, standard retail contract and standing offer prices have the same meanings as in the National Energy Retail Law (NSW).

Accordingly, under NSW legislation operators of residential land lease communities are permitted to charge an amount for energy use and a separate Service Available Charge (often referred to as a supply charge on a standard bill for an energy market customer). Arguably, this could be construed as being at odds with an "all-inclusive tariff", as per charge group A.

We are concerned that this could lead to disputes between operators of residential land lease communities and customers, as well as confusion for other organisations who are required to interpret the requirements (i.e. NSW Fair Trading, EWON, NCAT and advocates). Shadow pricing is also relevant for operators of holiday parks in NSW.

In order to minimise misunderstandings and disputes, clarification is needed to ensure that pricing and charging arrangements which are permitted under state jurisdictions continue to apply.

Meter Reading Frequency

We have no issues with amendments to Condition 4.6.4.1 to allow more frequent meter reading so that customers can choose billing options which enable them to better manage their finances. Many residents in residential land lease communities are on low and/or fixed incomes and would find it easier to manage energy bills that are lower in cost, but more frequent.

Under the RLLC Act, operators are not permitted to charge residents for meter reading so the aim of limiting the amount of meter reading charges is a non-issue in this sector. While we are not opposed to an amendment to allow more frequent meter readings, we request that this be subject to:

a) if customer makes the request in writing, and
b) the operator may decide if they are willing to undertake more frequent meter reads as requested, and
c) the operator can charge the customer for each meter read as agreed between the parties.

More frequent meter reads should not be an absolute right of customers, particularly if an operator is not permitted to charge for the service, as is the case for NSW residential land lease communities. In these cases, unless the State legislation is amended operators are unlikely to want to conduct more frequent meter reading and this shouldn't be forced onto them.

Information Provision

Link to Copy of Conditions

While we support the amendment to Condition 4.8.1.1.c to allow an exempt embedded network service provider to provide customers with a link to the guideline (to satisfy the requirement to advise the conditions applicable to their exemption), this should be an alternative option rather than as currently drafted.

Many residents in residential land lease communities are elderly and a link may not be helpful for them. Further, operators of holiday parks and residential land lease communities are required to have written agreements in place and it may simply be easier for them to produce a paper copy at the outset (whether the customer requests it or not).

Therefore, we propose the following further amendment:

> ***4.8.1 provision of exempt network service provider information to exempt customers***
>
> 1. *The exempt embedded network service provider must advise an exempt customer, in writing, at the start of their tenancy/electricity sale agreement of the following:*
>
>   c. *a copy of or a link to the conditions applicable to the exemption that the exempt embedded network service provider is operating under and a printed copy upon request.*

Parent NMI and ENM Details on Customer Bills

The AER proposes an amendment to require that on the appointment of an ENM, the exempt embedded network service provider must provide the details of the parent NMI and ENM to every customer by a notice on the bills issued after the date. Proposed Condition 4.8.1.3 states:

> ***"4.8.1 provision of exempt network service provider information to exempt customers***
>
> *3. In addition to the requirements of the Retail Exempt Selling Guideline if applicable and any jurisdictional requirements, the parent NMI for the exempt network must be displayed on the customer's bill and made available on request to:*
> *a. the customer*
> *b. the customer's retailer*
> *c. the Embedded Network Manager appointed to the embedded network."*

We do not support this proposed amendment, as requiring operators of NSW holiday parks and residential land lease communities to include this information on customer bills will involve a potentially costly system change for little benefit. Certain customers may not understand what this means, and why it now appears on every bill, causing confusion particularly in mixed parks (i.e. if a resident in a mixed park has gone on-market, this condition would then require the information to appear on bills for holiday markers as well as residents, even though the transient nature of holiday makers makes it unlikely an ENM service will be necessary for them).

Providing the information on request would be sufficient to achieve the objective. Alternatively, attendees at the AER Exemption Guidelines Review Forum on Thursday 14th December 2017 suggested that this information could instead be recorded by the AER on the exemption registration. We would support this option, as it would give all parties easy, instant access to the information and would avoid another cost burden on exempt embedded network service providers.

Revocation of an Exemption

Clarity is sought regarding the amendment to Condition 5.4 to allow the AER to conclude there has been a failure by an exempt party where:

- *"the network is, or is proposed to be, operated in a manner which we consider does not serve the long term interests of consumers within that network or is of a scale or kind which we consider should be registered within AEMO, or"*…

What criteria will be applied in making such a determination, particularly in relation to a judgement about the *"long-term interests of consumers*"?

Other Amendments for the Purpose of Clarity

Restructuring the guideline

We request that the AER give consideration to restructuring the Network Guideline for the purpose of reducing its complexity and making it more user-friendly. A good way to do this would be to structure the guideline accordingly to class activity.

At the moment, the Network Guideline is structured in terms of conditions. It nominates all the relevant activity classes within the text of these conditions and then attempts to make distinctions between the activity classes. A good example is Condition 4.4.2.1, which is causing a lot of confusion.

Restructuring the guideline according to class activity will involve some repetition of content for conditions and it would make the guideline a longer document. However, it would make the guideline much easier for less sophisticated exempt embedded network service providers to navigate and understand. In this way, they could simply refer to their 'section' of the guideline for all the requirements and conditions that apply to them.

Mixed parks

It would be helpful to have clarification in the Network Guideline (and Retail Guideline) for mixed parks (i.e. operators selling metered energy to occupants of holiday accommodation on a short-term basis as well as residents).

Although operators of mixed parks must register their exemption in class R4 of the Retail Guideline and Class NR4 of the Network Guideline, the conditions with which they have to comply should be dictated by their relationship with the relevant exempt customer. That is, in selling metered energy to occupants of holiday accommodation on a short-term basis the conditions attached to class ND3 apply to that relationship. Likewise, in selling metered energy to residents, the conditions attached to class NR4 apply to that relationship. Having this clarification would remove any confusion that holiday occupants have the same entitlements as residents in mixed parks.

Conclusion

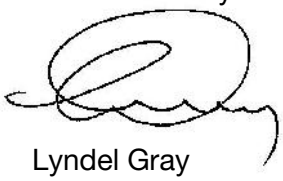
Thank you to the AER for considering our responses to the Draft Guideline. As the peak industry body representing holiday parks and residential land lease communities in NSW with embedded electricity networks, the CCIA is an important stakeholder in relation to the network exemptions framework.

We would like to discuss this submission further and to workshop with the AER proposed solutions to the issues we have raised, as we are concerned that the exemption framework is creating further disincentives for the supply of affordable housing.

We would be grateful if contact can be made with Shannon Lakic, our Policy, Training and Executive Services Manager, on (02) 9615 9940 or via email shannon.lakic@cciansw.com.au regarding available dates for a meeting.

We look forward to hearing from you soon and our continued involvement in the consultation process.

Yours sincerely



Lyndel Gray
Chief Executive Officer


Landis+Gyr
E470
residential smart meter
Payment Received
Debt to Clear
Outstanding Debt
Usage
Charge / Week
Most Recent Payments
1000
imp / kWh
E-Code
Press
Press & Hold
Cycle
Display
Emergency
Credit
Supplied:
A421024817
TYPE 5236J-Y 1-20(100)A
230V 50Hz Cl A 2010
1PH 2W -25°C...+55°C
M10 0120 UK/0120/SGS0004 v02


1000imp/kWh
kWh
KMP1-50
NMI 14/2/70
K-Mac
Powerheads
www.kmacpowerheads.com