

From: Greg Denton [REDACTED]
Sent: Wednesday, 18 May 2022 4:05 PM
To: AER Policy
Subject: Retailer authorisation and exemption review

Hi Mark,

We have scanned the review document. Our general comments as a party that recently received our authorisation 16-months after applying:

- While the paper considered the shortcomings of the existing rules and approaches, it doesn't appear to consider the current shortcoming in the application of the current rules and approaches. The AER should be willing to evaluate its implementation of the current authorisation rules as part of the review.
- The paper makes no mention of the industry structure of electricity retailing. The AER bias towards imposing systems and processes designed for large organisation needs to be addressed as part of the review.
- The paper considers expanding the application of the NECF, but does not contemplate reducing it. It is clearly in the interests of the AER to expand its role and impose more costs on the industry, but it must be questioned whether this is in the best interests of consumers. An overall cost/benefit analysis of the authorisation process and options for change should be performed. For example:
 - Why is the AER considering expanding its role into energy services associated with, but not explicitly energy sales, but not considering reducing its role where energy sales are incidental to a greater commercial transaction?
 - Why is the AER not considering an opt-out for consumers? An individual consumer, particularly one that has invested in CER solutions ("Distributed" solutions are owned by the distribution networks.), should be given the option of paying for the AER protections (including Ombudsmen schemes, etc) or opting out and not paying.
 - Why is an exemption framework only being considered for use "in limited circumstances" on new energy services? Surely consideration should be given to costs and benefits of a broad exemption until there is an identified need for AER oversight.
- The paper fails to address the geographic challenge of authorisation. Any review must include consideration of the need for nationally consistent rules and requirements.

We are pleased that principles/outcomes based regulation was acknowledged as an option by the AER. We look forward to its inclusion in the process as it's likely to dominate the current approach.

In short, as you might expect from the AER, the paper reads from the view point of regulation and the regulator. Competitive markets are the best regulator, and only need simple and transparent rules, and penalties against doing harm.

We wish you well implementing needed change.

Regards

Greg



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