

# Electricity transmission ring-fencing guideline – draft

## Flow Power submission

December 2022





## About Flow Power

Flow Power is an electricity retailer that works with energy customers throughout the National Electricity Market (NEM). Together with our customers, Flow Power is committed to our vision of creating Australia's renewable future. We empower customers to take meaningful action. By providing energy knowledge and innovative technology, we are delivering smarter ways to connect customers to clean energy to make our renewable future a reality. We provide our customers with:

- + Engineering support, access to live data and transparent retail tariffs that reward demand flexibility and encourage electricity usage at times of plentiful renewable output.
- + Hardware solutions that equip customers with greater information, visibility and control over energy use.
- + Access to renewable energy, either through distributed solar and storage installed on site, or through a virtual generation agreement with utility-scale wind and solar farms

We believe that by equipping customers with these tools, we can lower costs for all energy users and support the transition to a renewable future.

## Overview

Flow Power welcomes the opportunity to respond to the AER's draft transmission ring-fencing guidelines. The key points we would like to make regarding the AER's initiation notice are:

- + **We support the draft guidelines.** Robust guidelines that minimise the potential for cross-subsidisation and discrimination are crucial for maintaining the competitive frameworks underpinning the NEM. In the absence of effective guidelines, monopolistic businesses would be able to undermine market players and would erode innovation. Competition is key for minimising the costs to serve energy consumers, integrating new technologies and services, and delivering value to end-users. For these reasons, we support the position the AER has taken for the draft guidelines.
- + **Class waivers should be initiated by the beneficiaries.** Requiring proponents to request a class waiver will result in a stronger governance framework and increase the transparency of the class waiver requests.

Class waivers directly initiated by the AER risk giving the perception that the need for a waiver is pre-determined, and the consultation is focussed on the waiver conditions. Instead, we suggest that, if the AER is approached regarding an initiation for a class waiver, the AER

encourage that party to request a class waiver are substantiate why a class waiver would be in the long-term interests of energy consumers. This framework could resemble the AEMC's rule change process in which the AEMC is unable to initiate a rule-change and proponents are required to substantiate the basis for requesting one.

There may be circumstances where it remains appropriate for the AER to initiate a class waiver. If this is the case, we suggest the AER use it as a last resort, and encourage proponents to make request directly.

If you have any queries about this submission, please contact me on [REDACTED] or at [REDACTED].

Yours sincerely,

Declan Kelly

Regulatory Policy and Corporate Affairs Manager

Flow Power