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20 May 2022

Dr Kris Funston Executive General Manager – Network Regulation Australian Energy Regulator GPO Box 3131, Canberra ACT 2601

Dear Dr Funston,

## Re: Framework and approach for NSW, ACT, TAS & NT: Preliminary positions paper

Simply Energy welcomes the opportunity to provide feedback on the preliminary positions paper for the Australian Energy Regulator's (AER) framework and approach for the next regulatory control period for Ausgrid, Endeavour Energy, Essential Energy, Evoenergy, Power and Water Corporations, and TasNetworks distribution and transmission businesses.

Simply Energy is a leading energy retailer with approximately 730,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. Simply Energy's feedback on the preliminary positions paper relates to the AER's question about whether the costs for the facilitation work to provide the unregulated battery leasing service be recovered from customers as a standard control service, if the full cost of the assets used to deliver those services are not part of the Regulatory Asset Base (RAB).

Simply Energy considers that it is in the long-term interests of consumers to enable the facilitation costs of community battery projects to be recovered from consumers as a standard control service. If this cost recovery were not permitted, there will be some battery projects that would no longer be economical to proceed, with 'traditional' assets deployed instead. While we generally agree that consumers should not be asked to share the costs of establishing unregulated revenue streams, we consider that the leasing out of excess battery capacity is essential to the economic viability of these assets as a source of regulated network services.

We consider that the long-term interests of consumers would be better served by ensuring community battery projects can compete with investment in 'traditional' network assets, due to the greater flexibility of batteries to respond to changing usage patterns as more customers take up rooftop PV as part of the energy transition.

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact Matthew Giampiccolo, Senior Regulatory Adviser,

Yours sincerely



James Barton General Manager, Regulation Simply Energy

Simply Energy (ABN 67 269 241 237) is a partnership comprising IPower Pty Ltd (ACN 111 267 228) and IPower 2 Pty Ltd (ACN 070 374 293)