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Australian Energy Regulator - Markets Branch
GPO Box 520
Melbourne VIC 3001

Dear Sir/Madam

RE: Australian Energy Regulator's (AER) Consultation Paper, Draft Guideline and Revised Draft Determinations of Deemed and Registrable Exemptions

TRUenergy welcomes the opportunity to provide the following comments in relation to the Australian Energy Regulator's (AER) Consultation Paper, Draft Guideline and Revised Draft Determinations of Deemed and Registrable Exemptions.

TRUenergy supports the AER's approach outlined in the revised guideline for exempt selling and believes it should result in a better management of the authorising of exempt sellers than what currently exists. TRUenergy is supportive of the proposal to establish a separate consultation process for a Network Service Exemption Guideline and believes this should help to address some concerns it has in relation to exempt selling. However given that many of the issues especially associated with metering may require broader regulatory changes TRUenergy believes that establishment of the guidelines should be seen as a work in progress that will require on going development and consultation.

In developing such a guideline TRUenergy believes it is important that the AER takes a consistent approach to the regulation of exempt sellers as it does for the regulation of other stakeholders. Specifically, TRUenergy would be concerned if companies were using the exempt seller authorisation as a way of bypassing retailer authorisation. Given the significant number of different arrangements which exist for exempt sellers TRUenergy nevertheless recognises the need to balance the costs associated with additional regulation and ensuring consumers have the similar protections to those which exist for customers of retailers. In balancing these issues TRUenergy supports the AER's approach and believes that this balance should be based on the scale of the business which is on selling the energy and whether the onselling of energy is a core or incidental to the entity's business.

While TRUenergy sees a role for small on-selling arrangements associated with accommodation for short term or transient residents, it nevertheless remains concerned where embedded networks are being established in larger commercial and residential premises which as a result of their meter configuration do not allow the residents or tenants to enter into an energy contract with a retailer. Such arrangements make it extraordinarily difficult for retailers and distributors to assist customers in the event of exempt seller failure. While TRUenergy understands that these issues are likely to be addressed in the consultation process of Network Service Provider Exemption Guidelines, it remains of the view that such embedded networks are not in the long term interests of consumers if they do not allow customers in these larger commercial and residential properties any options to choose whether they wish to receive their energy from an exempt seller or a retailer.

TRUenergy notes the changes in the draft guideline associated with the registration of exempt sellers, however believes that the AER should give further consideration to a universal register at least in the longer term. As acknowledged in the public forum in December the significant differences in arrangements associated with exempt selling makes it very difficult for the AER to know exactly how many exempt sellers currently exist. TRUenergy believes that such a register which contains the details about the meter types and identification numbers to which the exempt seller provides energy would be of significant value. TRUenergy nevertheless considers such a register would assist the AER in being able to carefully track the extent of exempt selling. As well as this a universal register would assist the AER, retailers and distributors in times of exempt seller failure to identify affected customers. While it is acknowledged that establishing such a register for exempt selling from scratch may require the participation of exempt sellers and a public information campaign, ultimately TRUenergy holds the view that the benefits of the register would exceed its costs.

In considering the issue of a universal register TRUenergy believes registration should be required for each site and thus does not support an entity which on sells to multiple locations only registering once. TRUenergy believes that such an approach would not allow the AER to adequately monitor the extent of onselling.

Should you have any questions in relation to this submission please feel free to give me a call on (03) 8628 1185.

Yours sincerely

Alastair Phillips
Regulatory Manager
TRUenergy