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**General Manager
Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001**

Re: AER consultation – Exempt Selling Guidelines

TrustPower welcomes the opportunity to comment on the AER's draft *Exempt selling guideline* published June 2011.

TrustPower has held an electricity retail licence in South Australia since July 2009. TrustPower does not currently supply a retail customer and is not actively seeking customers. TrustPower sought a retail licence in order to supply very large customers, in particular to provide renewable energy to desalination plants and other similar large customers with mandated requirements for their electricity supply to be largely provided from a renewable source.

Whilst TrustPower's retail licence in South Australia has no particular conditions associated with its target retail market we believe that the transition to a national framework provides the opportunity to create an exemption class, or to implement specific exemptions, to cater for the selling of electricity to very large customers under negotiated long term supply agreements.

Customers in the very large market segment typically purchase their electricity requirements under a negotiated long term supply agreement and possess the necessary skills, experience and scale to negotiate suitable contractual arrangements to protect their commercial interests. In these circumstances it is not efficient to apply the same obligations and compliance regimes that would apply to a retailer who supplies electricity to small customers. The cost of compliance with all aspects of the Retail Rules is prohibitive and impractical in the circumstance where a small number of very large customers are supplied by a single retailer. Waiving of certain provisions (such as the hardship provisions, complaint handling procedures and residential energy efficiency schemes) of the Retail Rules, which are designed to protect smaller classes of customers, through an exemption would reduce the compliance costs without additional risk to very large customers.

TrustPower's view is that an exemption or reduction in compliance obligations for retailers who only supply very large customers provides a number of advantages:

1. Reduces the compliance burden and barriers to entry for a specialist retailer to supply very large customers
2. Increases the level of competition to supply very large customers
3. Has the potential to provide cheaper energy supply costs

Should you wish to discuss this submission further please contact me via email at Ashley.Nicholls@TrustPower.com.au.

Yours Sincerely

Ashley Nicholls
Energy Trading Manager
TrustPower Australia