



22 November 2013

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Dear Jacqui

**RE: Alternative Energy Sellers – Issues Paper**

United Energy (UE) appreciates the opportunity to respond to the AER on the ‘Regulation of alternative energy sellers under the National Energy Retail Law: Issues paper’.

UE recognise that this is an emerging area and work is being undertaken on NECF smart meter customer protections for appliance level control by third parties and the Power of Choice arrangements for Multiple Trading Relationships are also being progressed within an AEMO working group. UE would welcome stakeholder forums to discuss the alternative energy selling regime and the interactions and implications with these other work streams and supply and metering services as they evolve.

**Alternative Energy Selling Models**

The AER has highlighted several models;

- Solar power purchase arrangements where there would be a parent meter and a child or sub meter which measures the generation output from solar panels;
- Companies selling energy to customers for specific purposes eg appliance level retail competition such as an electric vehicle model; and
- Businesses who sell energy and other services eg demand management or load control products.

The NMI, metering configurations, authorised retailer and exempt retail relationships and datastream arrangements are not entirely clear or could vary between exemptions sought. The models under consideration ie whether there are two market meters, a market meter and a sub meter or a market meter and subtractive metering arrangements is not entirely clear.

Based on the AER’s comments that even if the second energy seller disconnects energy supply the customer retains access to supply via the authorised retailer, UE understand that this implies that there is a parent meter and sub metering in place. The AER state that since the second exempt retailer is only supplying part of the customer’s energy needs, if they no longer have an agreement with the customer, the customer’s relationship with its chosen retailer is not affected by its relationship with the alternative

energy seller. UE query that this is true in all cases, if the equipment at site remains and the commercial arrangements to purchase energy or control an appliance are changed there is presumably impact on the energy at the parent meter. Where the exempt retailer is no longer supplying, it may be worthwhile understanding who has the obligation to “make good” when equipment disappears such as sub metering or appliances/control equipment, is it customer, exempt retailer or the meter provider or some other combination?

UE generally agree with the policy issues and considerations. UE also suggest that the considerations that the AER takes into account for exempt retailing and exempt networks more generally also be part of the process. As noted above the metering/data and NMI configurations should also be considered, whether there are any safety issues, whether the sub metering needs to meet jurisdictional requirements etc.

### **Exemption Framework**

The AER is proposing that alternative energy selling be placed in the individual exemption category given that the models will emerge over time and may need specific consideration. UE consider that this is a reasonable approach, however noting the AER statement that an individual exemption relates to the business and a specific site. The Issues Paper mentions the possibility of granting a multiple site exemption in certain circumstances, UE would be supportive of such an approach.

UE suggest that the networks and metering service providers who are impacted are made aware through discussions with the AER how the model is intended to work and the possible network impacts. It may be prudent to ‘constrain’ an individual exemption in these categories to the network areas where the network businesses have been advised. This may allow discussions relevant to the specific jurisdictions to occur eg would premium feed in tariffs still apply in such cases or general feed in tariffs etc, is there a requirement to have an AMI meter installed?

It is important to consider not only the customer protections and regulations of the alternative energy sellers but the management of these arrangements within the broader regulatory framework and the delivery of both supply and sale services to customers, including the arrangements that apply in the jurisdiction. UE welcome the opportunity to participate in further discussions with the AER as these arrangements evolve or are applied in our network to ensure that the metering, supply services and billing arrangements are well understood and appropriately conveyed to the customers to ensure customer satisfaction. This is important where the alternative energy sellers undertake demand response activities which may impact the stability of the UE network.

If you have any queries please feel free to phone me on 03 8846 9856.

Yours sincerely

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