



6 January 2016

Ms Sarah Proudfoot
General Manager – Retail Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Email: AERExemptions@aer.gov.au

Dear Ms Proudfoot

Re: Amendments to the AER (Retail) Exempt Selling Guideline v 4.0 Additional Consultation

WINenergy Pty Ltd (**WINenergy**) welcomes the opportunity to provide comments in response to the Australian Energy Regulator's (**AER**) proposed Amendments to the AER (Retail) Exempt Selling Guideline (**Guidelines**).

WINenergy is a privately owned company with its corporate headquarters in Melbourne supported by offices in Sydney, Brisbane and Adelaide. Since 2005, WINenergy has specialised in the establishment and operation of private embedded networks for electricity. In this role we act as an agent of either the property owner or the owners' corporation as applicable. We also hold retail electricity authorisations in Victoria and under NECF which authorises us to sell electricity in NSW, Qld, South Australia, Tasmania and the ACT.

Our fundamental business has traditionally been the supply of metering, the management of data and customer billing in privately owned embedded networks across the eastern states of Australia. Today, WINenergy manages and operates over 400 private embedded network sites across Victoria, NSW, Queensland, South Australia and Western Australia. Our clients include large funds and property trusts who own shopping centres as well as property developers who either build and manage properties, or hand them over to owners' corporations on completion.

WINenergy is supportive of the AER's initiative to seek additional stakeholder feedback on the requirements for retrofitted embedded network applications. WINenergy is of the view that the more specific the AER can be in providing industry participants with guidelines which are unambiguous and yet provide clarity and a degree of flexibility to reflect the ongoing developments in the retail energy market can only be beneficial to all stakeholders.

Additional information to be provided as a part of the individual exemption application¹ for a brownfield conversion

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WINenergy is supportive of the AER's proposed amendment that where an exempt seller is planning to retrofit their premise, i.e., undertakes a 'brownfield' conversion, then as a part of the individual exemption application the exempt seller or their nominated agent / embedded network manager ('ENM') on their behalf, should:

1. confirm that all tenants / customers who are affected by the retrofit of the embedded network be advised of the pending brownfield conversion and outline to affected tenants / customers how

¹ Section 4.4 and Appendix B items 16 and 17 of the *AER (Retail) Exempt Selling Guideline v 4.0*

they will be affected and what this means to them vis-à-vis their ability to access a retailer of choice.

2. in the same correspondence as outlined in 1 above, tenants / customers should be informed that the AER as the energy regulator in their jurisdiction, undertakes a consultation process with affected stakeholders on applications for individual exemptions and that they are able to participate in the consultation process by making a written submission to the AER.
3. advise tenants / customers in writing when the application for the individual exemption is published by the AER for consultation and feedback and when the consultation period ends.

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As outlined in our submission dated 16 November 2015, WINenergy remains supportive of the AER's proposed amendments that they may require an exempt seller to provide evidence of a tenants' / customers' explicit informed consent (**EIC**) when seeking to undertake a brownfield conversion.

WINenergy reiterates that the current AER position requiring 100% EIC from potential exempt customers is not practical and is in fact restricting tenants and residents from accessing lower energy costs through the bulk purchasing power of the owners of the embedded network.

To this end, WINenergy believes that the current individual exemption regime where exempt sellers seeking to 'retrofit' a building with a private embedded network be maintained but that the threshold for the granting of the exemption by the AER for the conversion to proceed be lowered from 100% EIC from all tenants / residents to a more practical and reasonable level of 60%.

Additional comment

We take the opportunity to further reiterate the need for customers within embedded networks to be given the choice to receive one energy bill from either their retailer or the ENO. We do note however, that in order for this to work most optimally for all parties, i.e., the customer, the ENO and the retailer, it is imperative that the customer's retailer set up a 'B2B' or the equivalent of a NUOS arrangement with the ENO so that the network charges component of a customer's energy bill can be remitted to the correct party (ENO) without undue delay or complication. Where the customer's retailer refuses to interact with the ENO in such a manner then the customer will be inconvenienced by the arrangement and continue to receive two (2) bills, one bill representing the energy component (consumption) from their retailer and the other bill from the ENO for the network charges.

Should you wish to discuss the details of this submission, please contact either myself or Andrea Steele on (03) 9832 0016 we would be pleased to have further discussions on our submission.

Yours sincerely



Tom Patsakos
CEO
WINenergy Pty Ltd



Andrea Steele
EGM – Retail & Regulatory Affairs
WINenergy Pty Ltd