



18 December 2015

Ms Sarah Proudfoot
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By email: AERExemptions@aer.gov.au

Amendments to the AER (Retail) Exempt Selling Guideline v4.0

The Consumer Utilities Advocacy Centre (CUAC) and the Alternative Technology Association (ATA) welcome the opportunity to comment on the amendments to the AER (Retail) Exempt Selling Guideline v4.0, i.e. Section 4.4 and Appendix B of the guideline.

We support the intent of the proposed amendment which requires applicants proposing to retrofit a site to provide additional information as part of an individual exemption application. However, we are of the view that it does not adequately address the concerns we had raised with regard to retrofitting in our joint submission to the AER on the draft guideline on 12 November 2015.

As previously submitted:

'CUAC and ATA's main concern with retrofitting is that the consumer protections extended to customers in embedded network arrangements are not comparable or equivalent to the consumer protections extended to energy retailers' customers. The question we have is how informed is the consent? Even if all the residents 'consented' to the conversion of a site to an embedded network, they may not fully appreciate the full implications (including the range/type of products and services provided) and the consumer protections (e.g. access to EWOV, hardship arrangements etc) they would forgo if the site was retrofitted.'

At the very least, if a site is to be retrofitted, tenants/customers must be informed and understand the loss of *all* consumer protections that will arise if a reseller supplies a retrofitted site.

This means that in addition to including *'a copy of the advice to tenants/customers including details about how this will affect the tenants'/customers' ability to access a retailer of choice'*, tenants/customers need to know about the loss in consumer protections that would arise if they obtain supply from a reseller (following retrofitting). This includes loss of access to EWOV and hardship arrangements (re sellers are not required to offer hardship support to their customers), and the differences in the way concessions are actually administered (i.e. residents in a retrofitted site may not be able to have the concession

automatically applied to their bills if they are supplied by a re-seller; they may need to apply for a rebate).

In our joint submission, we also raised other questions including how the cost of retrofitting would be shared amongst the residents if there is no 100 per cent support for retrofitting, and if residents who object to retrofitting would encounter any difficulties in retaining supply from their current energy retailer.

We appreciate the opportunity to participate in the AER's additional consultation on the draft guideline. If you have any queries, please contact the undersigned.

Yours sincerely,



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