

# Community Electricity

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## Submission in Response to ERA Public Consultation

### Electricity Licences Review 2015

#### Standing

Community Electricity is:

- a. a licenced Electricity Retailer and a provider of Electricity Retail Services and Market Consultancy;
- b. a member of the Independent Market Operator's Market Advisory Committee;
- c. a member of the Economic Regulation Authority's Technical Rules Committee.

Further information is available at: [www.communityelectricity.net.au](http://www.communityelectricity.net.au)

#### Submission

Community comments as follows on the ERA's proposals.

In general, we consider that the licences should be straightforward documents that should avoid triggering unnecessary and ritualistic audit requirements and other administrative nuisance. We consider that the proposals generally achieve this except where indicated.

##### **Proposal 1**

**The Authority proposes removing the licensee's address/contact information and a description of the licensee's assets (where applicable) from page 2 of licences.**

We support this proposal as it removes administrative nuisance.

##### **Proposal 2**

**The Authority proposes retaining the current approach to number formatting in licences.**

Community supports this proposal as we perceive there to be administrative merit in the use of "not used" clauses in maintaining consistency across licences.

##### **Proposal 3**

**The Authority proposes including a licence's operating area map(s) in a schedule to the licence.**

Community supports a simple resolution of this issue. We note that a verbal description is often preferable to a map; for example "the area served by the SWIN".

##### **Proposal 4**

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**The Authority proposes including all definitions in clause 1 of EIRLs.**

This appears to be a minor matter and Community supports a convenient resolution.

## **Proposal 5**

**The Authority proposes that the definitions of “Code” and “Regulations” be amended to remove the requirement for new codes and regulations to be automatically applied as a condition of a licence.**

Community supports this proposal.

## **Proposal 6**

**The Authority proposes that clause 2.1 of ERLs and Schedule 1 of EIRLs are amended to clarify that the licence is granted to allow the licensee to “sell” electricity rather than “supply” electricity to customers.**

Community supports this proposal.

## **Proposal 7**

**The Authority proposes that references to the following legislation are removed from electricity licences:**

Community supports this proposal and welcome the simplification.

## **Proposal 8**

**The Authority proposes that the current approach of including specific legislative obligations in licenses is retained.**

Community has no objection to this proposal but would emphasise that it would be dysfunctional and inefficient to require a licensee to have to comply with both the old and the new requirements.

## **Proposal 9**

**The Authority proposes that clause 23.2 is removed from ERLs and EIRLs.**

Community supports this proposal.

## **Proposal 10**

**The Authority proposes that Schedule 2, Clause 1 (exemption from compliance with the Transfer Code) from EDL4 is included in relevant transmission, distribution, retail and integrated regional licences where a network has only one retailer operating on it.**

Community supports this proposal.

## **Proposal 11**

**The Authority proposes that all licences continue to require compliance with the Metering Code, but individual licensee compliance continue to be managed through the audit**

Community notes that the ERA comments (emphasis added):

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“In some instances, **auditors have formed the view that the Metering Code is not relevant due** to the specific circumstances of the licensee; for example ETL6 (Karara Power) and EDL4 (Newmont Power). Where large customers are supplied, power purchase agreements often set out rights and obligations between network operators, retailers and customers in relation to metering.”

We suggest that ERA should remove the need for unnecessary audit compliance rather than depend on it; the nuisance and cost of ritualistic audit should not be understated.

## **Proposal 12**

**A. The Authority proposes that EDLs and EIRLs (with a distribution service) are amended to make it clear that the requirement to create and maintain a priority restoration register applies only where the distribution system supplies more than one customer.**

**B. The Authority proposes that EDLs and EIRLs (with a distribution service) that require the licensee to create and maintain a priority restoration register are amended to allow for alternative documents and processes to form the basis for the assessment of the licensee's compliance with that obligation**

Community supports a convenient resolution of this issue having regard to fitness-for-purpose. In particular two (“more than one”) large industrial customers would have their concerns addressed in the PPA rather than require the same protections afforded to a residential customer.

## **Proposal 13**

**The Authority proposes that it be clarified in relevant ERLs and EIRLs (with a retail service) that the licensee can only supply large use customers and an approved standard form contract needs to be submitted to the Authority for approval, prior to commencement of supply to small use customers.**

Community supports this proposal.

## **Contact**

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