



25 May 2022

Licensing Division
Essential Services Commission
8/570 Bourke Street
Melbourne VIC 3000

By email: licences@esc.vic.gov.au

Retail Licence Review – Variation of Energy Retail Licences Second Stage

Alinta Energy welcomes the opportunity to review the revised second stage proposed "*Standard Electricity Licence Conditions*" for Electricity Retail and the revised second stage proposed "*Standard Gas Licence Conditions for Gas Retail*".

Alinta Energy understands the revised second stage proposed licence conditions have been developed following first round stakeholder consultation. Adoption of the proposed revised standard licences will require a variation to Alinta Energy's existing electricity and gas retail licence conditions.

Alinta Energy has the following comments on the revised proposal.

Transitional Period

As part of our first-round comments Alinta Energy raised the issue of a "transitional" period noting that any variation to existing licence conditions will need to be accounted for in a retailer's own systems, policies, and processes. We note that in response the Commission is proposing a transitional period where any variation will not commence earlier than 30-days following a decision to vary the licence.

Whilst recognition of the need for, and the inclusion of a transitional period is welcome, our concern is whether the 30-day proposed period is sufficient. We would suggest that a longer period should be considered, potentially a 90-day transitional period in order to account for more complex system, policy and process changes needed to ensure compliance with revised obligations.

Alternately the Commission could consider an option where any transitional period is determined between the retailer and the Commission at the time of the variation being known, as this will ensure the level of work to be undertaken to comply with any variation is understood and a transitional period to reflect this can be provided.

Information to Customers that are not Small Customers

We note that the amendment to the licence obligation seeks to clarify its application to customers that are not Small Customers (Large Customers). In determining its application, it is not clear whether the Commission have given full consideration to the way in which the Large Customer market operates, and whether there is a need for these protections for large market customers.

The Large Customer market is extremely competitive, and retailers are incentivised to ensure as with all customers that Large Customers are well serviced. In addition, this market segment has a reliance on third parties and brokers for the servicing of a number of competitive market activities including seeking energy supply contracts and the renegotiating of existing supply arrangements. Activities that are being sought to be covered by the proposed licence conditions.

We believe further consideration should be given to the necessity for these licence obligations proposed under Clause 9.

Revocation

The Commission's revised proposal provides for revocation by agreement or revocation in accordance with the Act, which is the exercise of the Commission's discretion, having regard to relevant circumstances and its statutory objectives.

We note the Commission acknowledges this is a material change, with licences (albeit in a varied manner) presently prescribing a set of circumstances in which the Commission may revoke a licence.

The Commission has requested feedback on whether licensees would be assisted by the Commission publishing guidance on the circumstances in which this power may be exercised, should this variation be made. Alinta Energy would support the Commission providing further guidance on the circumstances in which it may seek to exercise its power to revoke a retail licence.

Receipt of Notices

In relation to the proposed amendment of Clause 2.1 (ii) and the issuing of notices to the Licensee at the physical or email address Alinta Energy is happy to provide the following email address for the issuing of notices electronically.

Email Address: retailcompliance@alintaenergy.com.au

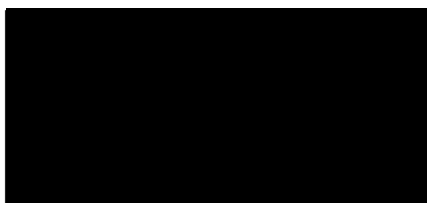
Where the above points are appropriately addressed Alinta Energy would see no issue in providing consent to the proposed variations.



Please note: the comments above relate to both the Alinta Energy Retail Sales Pty Ltd and Neighbourhood Energy Pty Ltd retail energy licences.

Should you have any questions or wish to discuss any aspect of our submission I may be contacted on [REDACTED] or via email: [REDACTED] [@alintaenergy.com.au](mailto:[REDACTED]@alintaenergy.com.au)

Yours sincerely



Manager National Retail Regulation