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**Small Business
Commissioner**
SOUTH AUSTRALIA

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Dear Sir

**RE: Embedded Network Consultation Paper Ref. ERC0179 National Electricity
Amendment (Embedded Networks) Rule 2015**

I refer to the above paper and accordingly make a submission on behalf of the Office of the Small Business Commissioner.

The issue of access to alternative retailers by retailers and other small business owners is one of significant interest and importance to me.

The South Australian Government has also flagged it as an issue by commissioning a review of the rules surrounding embedded networks in December 2012.

Since that time, this office has gathered information from both building owners, shopping centre owners and representatives and small businesses.

However following the decision by AEMO in October 2014 to refer the proposed rule change involving embedded networks to the AEMC, this review has been placed on hold as an appropriate national system may provide the response required to assist small business in this area.

I noted that the consultation paper states that the major gaps in the current regulatory arrangements and the focus of AEMOs rule change request, is the last of regulatory arrangements to support customers with embedded networks who are off-market and are seeking to become on-market, or are on-market and seeking to change retailer.

At a high level we support the approach being adopted by the AEMC and support the conclusions of the Jakobs SKM review commissioned by AEMO.

Providing clear frameworks and rules which formalise roles, responsibilities and arrangements for embedded networks is seen as a priority.

I agree that providing embedded network customers access to alternative retailers will improve the competitive outcome for small businesses so long as ENO's ie those responsible for the embedded network infrastructure, do not seek to find ways to add additional costs to the small businesses.



A clearer and easily navigable embedded network retail market will assist in energy management and clarity of true costs of provision.

The role of Electricity Network Manger (ENM) needs to be structured in a way that it becomes a facilitator of the new arrangements and not a barrier. This will require a regulatory regime which allows a flexible and innovative approach to these arrangements.

It is not clear to me that the new arrangements will overcome the issue of clarity of who will be charging for network charges being applied to small businesses operating in embedded networks. Is it the retailer or the ENO and how will this arrangement be effectively and simply managed?

Further clarity is sought on whether a retailer can sell directly under the AER's retailer authorisation or the exempt seller regime.

As such we agree with the consultation paper that changes to the NER should not create unnecessary compliance and administrative burdens for stakeholders. Further we argue that the changes should be the exact opposite to encourage the shift of embedded networks currently off-market to on-market.

I understand the Energy Markets and Programs Division of the SA Department of State Development is making a submission to you which outlines in greater detail our collective concerns.

Should you have any queries, please do not hesitate to contact me on 08 8303 0927.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'John Chapman', with a long horizontal flourish extending to the right.

John Chapman
SMALL BUSINESS COMMISSIONER

1st July 2015