

## Consultation on the regulation of On-site Power Supply Arrangements

### Consultation paper submission form

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Send your feedback to [EPWA-AES@dmirs.wa.gov.au](mailto:EPWA-AES@dmirs.wa.gov.au) or to Energy Policy WA, Locked Bag 11, Cloisters Square, WA 6850 by 5pm (AWST), Friday 19 April.

We will publish your submission on Energy Policy WA website, unless you ask that we keep it confidential. Please give reasons why your submission should not be published.

Question number	Section reference in Consultation Paper	Questions for consultation	Your comments
1.	<b>Section 4.1. Customer protections suitable for OPSA customers</b>	What types of information should be required to be disclosed to customers in their OPS contract, and what subset of this information should be set out in a clear disclosure statement given to customers before they sign a contract?	<p>SEG largely agrees with the items to be disclosed under Section 4.2 of the draft Code. As it stands the vast majority of these items are disclosed to the prospective customer. SEG could like to draw attention to 4.2(q) regarding the type and accuracy of the OPS meter.</p> <p>SEG does not believe this item is relevant in a disclosure statement, particularly where a customer is not charged on a kWh basis. This requirement would be more suited to a power purchase agreement where the only way of measuring kWh provided by the system to the house is an OPS meter. For a finance model such as SEG's, the weekly repayment is the same regardless of the kWh used from the system by the customer.</p> <p>It is also not a requirement for meters supplied for OEMs with their solar and battery systems to be compliant to the National Measurement Act 1960 (Cth) as they aren't used for billing purposes.</p>
2.		The draft obligations provide residential OPSA customers with hardship and/or family violence and some life support protections from their OPS service provider. Noting OPSA customers continue to have a contract with a licensed retailer and access to grid-supplied electricity, are these protections necessary? Why/why not?	<p>SEG does believe that provision for hardship is required and already has these policies and processes in place.</p> <p>SEG does not believe it should have any requirement to log or maintain records with regards to life support as this may prove onerous on an organisation without the means to address any concerns relating to life support. The equipment installed on-site has the ability to provide back-up only on particular home circuits that are selected at the time of install (only</p>

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			<p>applicable to installs with batteries, there is no back up option for solar-only installs).</p> <p>In addition, as per manufacturer guidelines for the solar and battery inverters we, and others in the industry install, are not to be ever solely relied upon for providing power to life support equipment. They are not designed to be a UPS.</p> <p>As our customers are non-contestable, they must maintain their contract with a licensed retailer, in this case, Synergy, which already has all the aforementioned obligations. Our products are designed to work alongside a permanent grid connection, not in lieu of. SEG believes the same is also applicable to family violence obligations.</p>
3.		Do you have any other comments on the proposed OPSA code obligations?	The navigation of a potential Code for OPSA should be careful not to duplicate existing obligations that are present in other areas of the energy supply chain as it may not provide any additional protection to the consumer but rather increase overhead on small business. This overhead may inevitably be passed onto the end customer resulting in lower benefit overall.
4.	<b>Section 5.2. Option 2: Licensing</b>	Is licensing a suitable option to address some of the issues raised in Section 3 – Problem statement, particularly given that it will only cover some OPSA business models?	No, licensing isn't suitable as it may result in insolvencies due to high cost of compliance for little benefit to both the customer and the business.
5.		Are the costs of licensing OPS service providers proportional to the benefits?	No

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6.		What transitional arrangements are appropriate to provide for exempt SPPA providers if licensing is the preferred option for the future regulation of OPS service providers?	N/A
7.	<b>Section 5.4. Option 4: AES framework – leverage New Energy Technology Customer Code</b>	Is the AES registration framework a suitable option to address some of the issues raised in Section 3 – Problem statement? ( <i>relevant to Options 3 and 4</i> )	Yes, where the framework creates obligations that are fit for purpose and not a duplication of other regulatory instruments a given business needs to comply with.
8.		Are the costs of requiring OPS service provider to register under the AES registration framework proportional to the benefits? ( <i>relevant to Options 3 and 4</i> )	No, the costs are prohibitive. At \$37 per customer per year, with approximately 2,000 residential customers, SEG would need to pay approx. \$74k annually. This is certainly not a sustainable outcome and may stifle innovation.
9.		Do you consider Option 3 (tailored code obligations) or Option 4 (leveraging the NETCC) to be more preferable for applying the AES registration framework to OPS services? Please provide justification for your position.	Option 4. It is nationally consistent and recognised by the ACCC. SEG favours nationally consistent regulations to promote productivity where possible.
10.	<b>Section 6. Policy questions under the AES registration framework – Public interest test and public consultation</b>	Do you support use of the ‘fast track’ route to assess OPS service provider registration applications? Why/why not?	Yes, we support it. The energy transition will be solved not only by large companies but also smaller, nimble companies that can solve problems faster and cheaper. They need to be enabled rather than stifled with red tape.
11.	<b>Section 6. Policy questions under the AES registration framework – ERA public register</b>	What matters should be included on the ERA’s public register about OPS service providers?	A public register that contains basic information about the legitimacy of the company will be useful but could also be seen as duplication of data available on the ASIC website. Specific facts on number of customers or systems controlled may be deemed confidential data by businesses that want to protect it for competitive purposes. A new business may also struggle to get their first customers if they perceive the

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			business is brand new hence acting as a barrier to entry.
12.	<b>Section 6. Policy questions under the AES registration framework – Requirement for retail licensees to register</b>	Should licensed electricity retailers be permitted to operate as an OPS service provider under authorisation of their licences (with additional licence conditions), or should they be required to also hold an AES registration as an OPS service provider? Please provide justification for your position.	Yes. Given the entity already has a license to retails electricity, it may be an unnecessary step to register as an AES.
13.	<b>Section 6. Policy questions under the AES registration framework –Transitional arrangements</b>	What circumstances should be considered for transitional arrangements?	SEG has no position on this at this stage.
14.		What types of obligations on OPS service providers should be subject to transitional arrangements?	SEG has no position on this at this stage.
15.	<b>Section 6. Policy questions under the AES registration framework –Interactions between OPISA and embedded networks</b>	Please provide your views on circumstances where OPISA interact with embedded network operations and whether additional regulation is required to ensure consumers are informed about existing contracts with OPS service providers when they buy and/or rent a property.	SEG does not have any interests or intent to operate embedded networks and therefore has no views on this.
16.	<b>Section 8. Implementation</b>	What is the best means of accessing all relevant audiences for OPS service provider educational materials?	Industry forums and social media. AEMO WA forums may also be considered.
17.		What materials and resources would be most suitable to help both OPS service providers and their customers to transition to the AES registration framework?	A template for the disclosure document.