

To whom it may concern

Reply to the Submission: ERC Energy Pty Ltd - Application for electricity retailer authorisation

Thank you for the opportunity to respond to the submission submitted regarding ERC Energy's retail Authorisation application. As per the requisite procedure we would like to respond to the submission provided. ERC does not seek to discuss in detail the subjective view on specific statements within the public application document but rather address or outline its intentions in applying for its retail licence.

ERC agrees with the statement in the submission:

Energy is an essential service. With the COVID-19 pandemic, a greater percentage of people in hardship, and an increase in energy consumption within the home environment,

we are reliant on our energy retailers to ensure that they afford the protections required.

As an Embedded Network company ERC has sought to obtain a retail authorisation to provide consumers with more choice in how they access their power within embedded networks and in doing so ensures that its systems and processes are in line with the standards provided and enforced by the Australian Energy Regulator. ERC Energy's submission of an application is an indication that it takes these standards seriously and supports the service standards and protections that are the norm of all on market electricity retailers. These standards have not been an enforceable part of the Embedded Network sector for too long which is why ERC has endeavoured to communicate consistently with initially DEWS, the AER and now EWOQ to ensure all customers are managed in accordance with the expectation of the legislative body. The customer reviews referenced within the submission makes up less than 0.05% of ERCs customer accounts across a period of over a decade and each query/complaint received by ERC has been managed as noted in accordance with expectation of the governing body of that time. However, we do believe that these types or reviews are too commonplace in the energy retail industry, providing further evidence as to why it is imperative to ensure there are standards and minimum oversight and accountability that should provide consumers greater confidence.

Sonne Energy has been engaged to assist with the compliance management of the business as it is and has been working with over a dozen retailers, large and small, many of whom are very active in the market. To provide some context to the statement made about auditing, Sonne's facilitation of the auditing of key processes is a reference to the auditing that has been conducted by Nem Australasia of ERC's Compliance and Risk strategies. As per the publicly available guidelines for application this is a required step from the Regulator. This letter has now been marked public and provided as a public attachment which states independently that the strategies created and being implemented by ERC are fit for purpose in managing the retail obligations required of an energy retail business in this jurisdiction. Steve Lamande who conducted this review has over 20 years of Compliance Management experience within a retail environment with organisations such as Power Direct, Neighbourhood Energy, Online Power and Gas and ReAmped.

ERC will now work with Sonne to ensure its updated compliance and risk framework required of electricity retailers is implemented with all the supporting procedures necessary for the management of its obligations. This is a complimentary step from ERC that illustrates its intention to manage itself in accordance with the standards enforced by retail authorisation. In addition to this ERC is investing in additional call centre and infrastructure changes to its business to ensure that it has service capacity as well as systems compliant with market interactions required by authorised retail participants.

If the Regulator requires any further evidence ERC is committed to providing this. Procedures and processes are commercial in confidence as they go to the heart of how ERC will implement its customer and product proposition.

Yours Sincerely,

Alison Blundell