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Sarah Proudfoot  
General Manager  
Retail Markets Branch  
Australian Energy Regulator  
AERInquiry@aer.gov.au

**Re: First Solar's submission to the AER's Issues paper regarding regulation of alternative energy sellers**

Dear Ms Proudfoot:

First Solar welcomes the opportunity to comment on the "Regulating innovative energy selling business models under the National Energy Retail Law" Issues Paper.

The Australian Energy Regulator's approach to regulating alternative energy sellers is working and the emergence of energy storage solutions does not necessitate changes to the regulatory framework.

First Solar operates within the commercial, industrial, and utility scale solar power sectors, and as such, these business customers generally have more resources to understand and negotiate simple-form solar PPAs. First Solar does not see the need to regulate this type of alternative energy selling given the sophistication of the energy consumers in this market.

In general First Solar supports suitable conditions for solar Power Purchase Agreement (PPA) individual exemptions. However the following current core exemption conditions are not particularly suitable to business customers signing Solar PPAs:

- Energy provided under a Solar PPA are in addition to the balance of energy supplied by an Authorised retailer, therefore an obligation to supply is unnecessary (Refer Condition 1);
- Solar PPAs could be offered as a premium to the standing offer price that would be charged at the relevant local area retailer. Because this is not the customer's sole source of energy, pricing conditions should not restrict the seller and the customer from negotiating the relevant price for the Solar PPA, within reason (Refer Condition 7);
- Disconnection or cessation of supply under the type of solar PPA proposed would not impact the customer's ability to access energy from an authorised retailer, and may not require the same restrictions (refer Conditions 9 and 10).

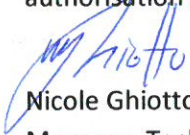
First Solar supports the suggestion that the AER can reduce unnecessary red tape for businesses by allowing a class retail authorisation exemption to sell electricity for consumption on commercial premises on which the generating works are located. First Solar would oppose the suggestion that the AER should require all alternative energy sellers to be authorised retailers which would represent an unnecessary and restrictive level of regulation.

Additionally, First Solar is not opposed to the inclusion of suitable trigger points for review in the conditions of an authorisation exemption. However if a trigger point is placed in the conditions of an exemption it

should be based on actions that are under the control of the alternative energy sellers and not its customers.

First Solar believes that authorisation, trigger points set too low and / or onerous conditions will stifle innovation and constrain development of attractive energy alternatives for Australian business.

First Solar welcomes the opportunity to review and respond to this and future proposals regarding retailer authorisation and exemption.



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