

27 March 2017

Mrs. Sarah Proudfoot  
General Manager Retail Markets  
Australian Energy Regulator  
GPO Box 520  
Melbourne, VIC 3001

Dear Ms. Proudfoot,

**RE: SUSTAINABLE SAVINGS PTY LTD. APPLICATION FOR ELECTRICITY RETAILER AUTHORIZATION SUBMISSION UNDER SECTION 91 OF THE NATIONAL ENERGY RETAIL LAW**

We make the following submission under Section 91 of the National Energy Retail Law (**Retail Law**) in respect to the application made by Sustainable Savings Pty Limited (**Sustainable Savings**) for an electricity authorisation under Part 5, Division 2 of the Retail Law dated 24/02/2017 (**Application**).

It is the view of Savant Energy Power Networks Pty Limited (**Savant**) that the application should be refused by the AER on the basis that

- Sustainable Savings fails to meet the entry criteria under Section 90 (1) of the Retail Law.
- Sustainable Savings has failed to provide required information

The criterion as set down in Section in 90 (1) of the Retail Law goes to the applicants' industry experience, operational systems and staff expertise. Applicants should demonstrate their ability to comply with regulatory obligations under the Retail Law and their ability to operate as an authorised retailer.

According to the Application, neither Director has any energy market experience nor do they have any experience in energy costing, billing systems, retail service or financial reporting. Under 2.3 of the Application, the lack of understanding of energy markets as well as the obligations under the licence for which they are applying has been demonstrated. They are not applying for a licence to only selling to Embedded Networks, they are applying for a full energy retailer licence and accordingly they must hold the appropriate experience and understanding of energy markets in order to comply with this obligation under the Retail Law.

Under 2.6 of the Application, a summary of the qualifications, technical skills and experience of sustainable savings' offices is listed, together with an explanation of the relevance of those skills and experience to meet the requirements of the retailer authorisation. We do not believe that either Director has sufficient experience in energy markets, or energy retailing experience applied in order to fulfil the applicant's obligations under the Energy Law. There is a significant difference between energy efficiency and energy retailing as they are two separate fields. The experience gained in developing the infrastructure required for the implementation of an Embedded Network at the Aurora Pirie Community Corporation is related to the physical aspects of electricity infrastructure, not energy retailing.

We do not see any evidence in the application of the technical capability of the Directors to manage a business of the complexity of an energy retailer.

As the number of Embedded Networks in the National Electricity Market grows, we are seeing a number of new market entrants trying to enter the space. It is the responsibility of the Australian Energy Regulator to ensure that all of the new entrants hold sufficient energy market experience and technical capability to not only fulfil their obligations under the Retail Law, but also to provide an appropriate level of service to the customers.

The Directors of Sustainable Savings do not have experience in the energy market and the application fails to detail how they intend to bring such experience into its business. In particular, we draw your attention to section 2.7 of their application, which fails to state all functions and activities that the applicant proposes to outsource. Further, when asked to provide details of the third party's experience in, and knowledge of, the relevant area the applicant's response is that the supplier will not be finalised until authorisation is approved.

Under 2.14 of their application, the applicant demonstrates a lack of understanding between the operation of an Embedded Network through a retail exemption, and a retailer authorisation. They are not applying to become an Embedded Network Manager, they are applying for an Energy Retailer authorization, and hence their agreements will be with the individual customers, not with the Embedded Network owner. The lack of understanding of this fundamental difference demonstrates that they are not suitably experienced or qualified in order to meet the requirements under the Energy Law.

## **CONCLUSION**

The application should be rejected because:

- Sustainable Savings fail to meet the entry criteria under section 90 (1) of the Retail Law:
- Sustainable Savings has failed to provide required information.

Please contact Richard Mintz on 0414 332 607 if you would like further information in respect of this submission.

**Yours faithfully**

**Savant Energy Power Networks Pty Limited**



**Richard Mintz**

**Director**