Submission on Draft Electricity Industry (Alternative Electricity Services) Prescribing Regulations 2025

CCR welcomes the opportunity to provide feedback on the Draft Electricity Industry (Alternative Electricity Services) Prescribing Regulations 2025 and the associated Registration Fee Information Paper.

CCR assists embedded network operators, strata corporations and asset owners on the governance, billing architecture and regulatory compliance of electricity on-supply arrangements. We support the introduction of mandatory registration under the AES framework and recognise the objective of improving regulatory visibility and consumer protections across embedded and single property networks.

Consultation

Our comments below focus on practical implementation considerations relating to registration scope, proportionality, cost recovery and transition.

1. Registration Scope – Single Property Networks

The draft Prescribing Regulations define single property networks broadly and prescribe supply within those networks as an Alternative Electricity Service, subject to specified exclusions. From an operational perspective, certain edge case arrangements would benefit from additional information to support consistent interpretation across the sector.

Small strata and incidental redistribution

In smaller strata schemes where electricity is redistributed through a parent meter but not billed in a retail format, operators may be uncertain whether registration is required. Worked examples detailing when incidental redistribution falls within scope would support consistent application and reduce the risk of both over-registration and under-registration.

Threshold-based exclusion

The exclusion relating to supply to five or fewer consumers where the supplier occupies the residence is understood. However, mixed-use strata environments may give rise to interpretative questions. Clarifying how this threshold applies in hybrid residential and commercial contexts would assist consistent implementation.

2. Proportionality and Compliance Expectations

CCR supports universal registration as a mechanism to ensure regulatory visibility. However, embedded networks vary significantly in scale, customer numbers and operational complexity.

For example, a 6-lot residential strata scheme and a 300-customer commercial embedded network would both be required to register under the proposed framework. While structurally appropriate, more guidance on how compliance obligations, reporting intensity and oversight effort will scale according to network size and risk profile would support proportionate implementation.

Experience in other jurisdictions demonstrates that differentiated compliance expectations based on scale can maintain consumer protections while avoiding unintended burden on

smaller operators. A risk-based oversight approach aligned to measurable indicators such as customer numbers or complaint history may support administrative efficiency while preserving regulatory intent.

3. Registration Fees and Cost Considerations

The Registration Fee Information Paper outlines an initial equal allocation of costs followed by a transition to a causer-pays model. Based on the estimated 3,000 embedded networks referenced, the equal allocation model equates to approximately $300 per registration holder annually.

The initial approach appears reasonable during the establishment phase. As the framework matures, greater visibility on longer-term cost allocation drivers would assist operators in understanding how fees may scale according to network size, throughput or regulatory effort.

Consideration of cumulative regulatory costs, including ERA registration fees and Energy and Water Ombudsman membership, would also support equitable implementation across networks of differing scale.

4. Operational Cost Recovery and Metering Arrangements

While the draft Prescribing Regulations appropriately focus on registration scope and exemptions, additional clarity would assist regarding how operational cost recovery arrangements align with the AES framework and forthcoming Code of Practice.

Embedded network operators typically recover upstream electricity and distribution infrastructure costs through a combination of fixed supply or service charges and variable usage charges. Depending on network structure, this may also include recovery of metering and meter reading costs.

Early indication of how infrastructure cost recovery, service charge structures and metering-related arrangements will be treated under the AES framework would assist operators and utilities in assessing whether billing systems, contracts or metering configurations require adjustment. Clear articulation of expectations in this area would support consistent and proportionate implementation.

5. Implementation Readiness and Transition

Industry readiness varies across embedded networks, particularly where legacy metering configurations, historic billing systems and long-term contractual arrangements are in place.

If billing methodologies, supply charge structures or metering processes require modification to align with the AES framework or forthcoming Code of Practice, staged implementation and practical guidance will be important to minimise early-stage compliance risk.

Clear transitional milestones and structured implementation guidance would support orderly rollout, particularly where system redevelopment cycles or contractual amendments are required.

6. Summary

CCR supports the objectives of the AES framework and offers the following practical considerations:

- Provide worked examples clarifying SPN scope, particularly for incidental redistribution and small strata arrangements.
- Provide guidance on how compliance and oversight expectations will scale according to network size and risk profile.
- Provide greater visibility on long-term fee allocation drivers and infrastructure cost recovery treatment.
- Issue transition guidance to support proportionate and orderly implementation.

These observations are intended to support a clear and workable registration framework that can be implemented consistently across diverse embedded network configurations.

If you have any questions or would like to discuss any of these issues, CCR would welcome the opportunity to participate in further stakeholder discussions as the framework progresses toward finalisation.

Yours sincerely,

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