



EnergyAustralia

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Dear Dr Chadwick

Application for authorisation A91365 – A93166 Clean Energy Council - Code of Conduct for Solar PV Retail Business – interested party consultation

Thank you for the opportunity to comment on the application made by the Clean Energy Council for exclusion from the obligations under the Competition and Consumer Act 2010, section (s) 88 (1) and 88 (1), for the Code of Conduct for Solar PV Retail Business (CoC).

EnergyAustralia supports the application on the basis that there is a need for greater transparency for consumers when considering such a significant investment and the flow on implications for the energy sector.

EnergyAustralia, as both a solar retailer and an energy retailer, is familiar with the consequences of less than complete information provided with sales processes associated with solar PV systems and associated connection arrangements. As a result, we have a unique perspective of the sales, installation and connection arrangements as well as the ongoing payment of jurisdictional feed-in tariff schemes and the Renewable Energy Certificate (REC) offsets.

With the steady increase in solar PV sales, accompanied by the initiation of a wide range of incentives for consumers to support and encourage investment, the solar PV industry advanced rapidly without periods for reflection and adjustment as would normally be expected. This environment created opportunities for many new participants to engage in mass sales approaches largely on the basis of participation in the various incentive schemes.

The consequence of less than optimal sales processes, some of which were adopted by a few solar retailers, often resulted in compensation being paid by energy retailers equal to the value of the system purchased or economic loss as a result of the consumer being promised entry into various feed-in tariff schemes which did not comply.

Consumers that are misinformed on relevant feed-in tariff schemes, other than seeking legal recourse, have limited mechanisms at their disposal to resolve disputes and often use various Ombudsman schemes. Because the Ombudsman schemes are limited in their jurisdiction to member organisations and or by various legislative instruments they can only settle disputes with licensed or authorised energy retailers. This often leads to the energy retailer accepting responsibility for a failure at the point of sale or within the installation and connection process which is not a suitable reflection of a causer pays process.

This CoC would provide a mechanism for consumers to identify those solar retailers that are genuine in their approach up front, providing correct advice and setting realistic expectations for consumers. It would establish a standard and reference for what compliance with the Competition and Consumer Act obligations are and how they translate into the sale and installation of solar PV systems.

A CoC also acts as a guide and resource for smaller Solar PV providers to better understand their obligations during the sales approach. A sensible compliance process applies sanctions for breaches of the code, in line with a voluntary industry code, that also encourages prompt correction and discourages repeat offending.

The CoC fills the void of information between the installation and connection arrangement as a pre-contractual obligation on the solar PV retailer and installer which acts as a bridge between the solar PV retailer and the energy retailer.

The fee structure for CoC signatories is linked to installations performed per annum and seems to allocate the correct balance between cost and benefit while at the same time not being prohibitive to small installers.

EnergyAustralia supports the view that this CoC will be a significant benefit to consumers and provide better transparency of solar PV retailers' obligations from a consumer's perspective.

Should you wish to discuss this submission please do not hesitate to contact me on (03) 8628 1437.

Yours sincerely

[Signed]

Randall Brown
Regulatory Manager