

14 March 2022

Ms Sarah Sheppard
Executive Director
Essential Services Commission, Victoria

By email: licences@esc.vic.gov.au

Dear Ms Sheppard

Retail licence review

I refer to your letters of 31 January 2022 to Sumo Power Pty Ltd and Sumo Gas Pty Ltd regarding proposed variations of their respective energy retail licences.

Please note the updated Particulars set out in the attachment to this letter.

While we note that the changes are largely administrative in nature, we propose some minor changes to address concerns as set out below:

Template Licence

1. Condition 3.3 of the Template Electricity Retail Licence provides that the Licensee is not permitted to sell electricity through the Wholesale Electricity Market except when settling Small Renewable Energy Generation Electricity exports by a Customer through AEMO. The definition of Small Renewable Energy Generation Electricity only includes electricity supplied by a Small Renewable Energy Generation Facility, and not a Qualifying Solar Energy Generating Facility. It is not clear to us why the settling of electricity exported by Customers with a Qualifying Solar Energy Generating Facility is excluded, and we would propose that condition 3.3 permit the sale of Qualifying Solar Energy Generating Facility exports through AEMO.
2. Condition 6.2 of both the Template Electricity and Gas Retail Licences gives the Commission broad powers to revoke the Licence in certain circumstances. In our view, it would be appropriate to introduce an element of materiality to triggers for this power. Query for instance whether it would be appropriate for the Commission to revoke a Licence where the retailer has breached a relatively minor provision of a Code of Practice. We propose that the power to revoke a Licence for breaches of conditions of the Licence or any requirement of a Code of Practice, as set out in condition 6.2.ii and iii, should be limited to breaches that have a material and sustained impact on energy consumers. Please also note the typographical error in paragraph 6.2.vi – should 'load sheeting' be 'load shedding'?

Standard Conditions

3. Condition 12 (Retailer of Last Resort) sets out a regime for the Commission to direct the Licensee to act as a supplier of last resort. We propose that such a requirement should be limited as a special condition for Licensees with the financial and operational capacity to take on customers of a failed retailer, and should not be a standard condition for all retailers.

Subject to these matters, Sumo intends to consent to the variations as proposed.



Please feel free to contact me to discuss this further.

Yours sincerely



General Manager – Legal & Regulatory



Attachment – Particulars of the licence

Licensee Name	Sumo Power Pty Ltd (ACN 601 199 151)
Address for service	Managing Director Sumo Power Pty Ltd c/- Prime Accounting & Business Advisory Pty Ltd Level 17, HWT Tower 40 City Road Southbank VIC 3006
Special Licence Conditions	None

Licensee Name	Sumo Gas Pty Ltd (ACN 606 951 713)
Address for service	Managing Director Sumo Gas Pty Ltd c/- Prime Accounting & Business Advisory Pty Ltd Level 17, HWT Tower 40 City Road Southbank VIC 3006
Special Licence Conditions	None