Embedded network proposal for small and large business energy customers

Your landlord[1], or a business acting on their behalf, is proposing to convert the site[2] your tenancy is a part of into an **embedded network**. This is known as a 'retrofit'.

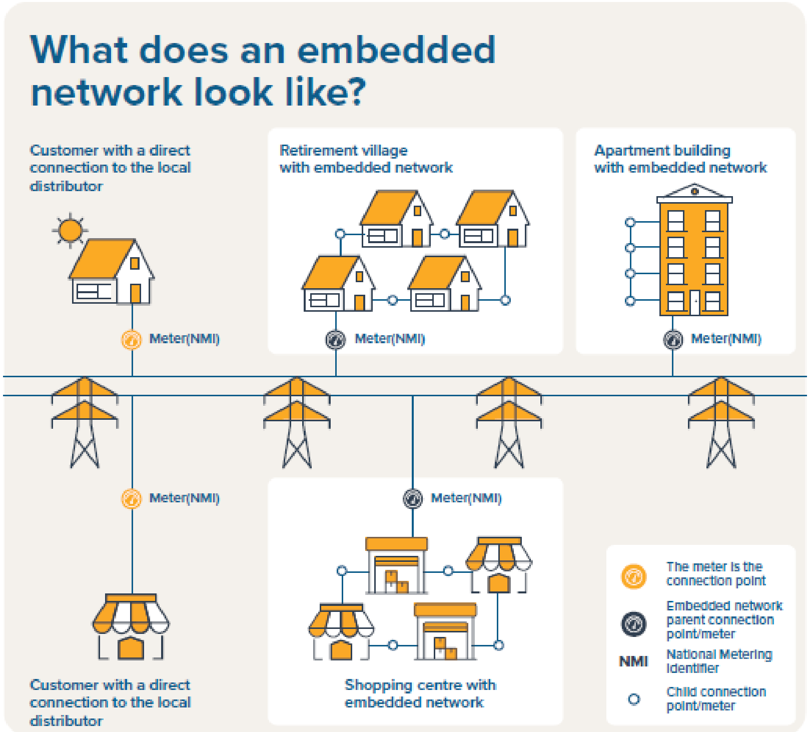
An embedded network is a private electricity network commonly found in shopping centres, commercial office buildings, industrial sites, business parks and mixed-use developments. The electrical wiring is configured in such a way to allow the owner of the site (or another business engaged by the owner) to on-sell electricity to all the tenants in the building.

What this means for you

Currently, your tenancy has its own electricity connection through the local distributor (the business that supplies electricity to your local area). This usually means you can choose which energy retailer bills you for the electricity you use. You can shop around, compare offers and deal directly with your chosen retailer about your electricity plan.

Converting a site to an embedded network changes the wiring and electricity meters, so each tenancy will be connected through one shared, larger connection for the entire site. This creates a private network to supply the electricity to each tenancy.

Instead of buying directly from a retailer of your choice, you will likely buy electricity from your landlord or a retailer that they appoint.



1 In this factsheet, 'landlord' is used, but may refer to a building owner, property manager, body corporate or similar party.

2 Such as the shopping centre, office building or industrial park your tenancy is a part of.

What an embedded network may offer

Embedded networks can offer benefits that are not always available through standard electricity arrangements. Benefits can include lower energy prices[3] or access to renewable energy or newer energy technologies.

The benefits that apply to you will depend on the specific proposal.

Seeking your consent

Before the landlord can retrofit the site, 85% of the tenants need to agree (consent) to the retrofit. If less than 85% of occupied tenancies consent, the retrofit cannot happen.

The Australian Energy Regulator (AER) requires that consent be ‘explicitly informed’, which means the person consenting has been provided with enough information to make an informed decision. Your landlord, or their agent, should also provide you an ‘explicit informed consent’ form for you to sign that records your decision.

Before you consent to the proposed retrofit, you should make sure you understand the proposed changes to your energy pricing, metering, billing or benefits, and what will happen if you do not consent.

Understanding the proposal and your rights

Who will be responsible for the embedded network?

Separately from the energy seller, there will be a party responsible for owning, operating or controlling the embedded network infrastructure (such as the metering, wiring and equipment within the site).

This party is known as the embedded network operator. In practice, the embedded network operator and the energy seller are often the same entity or related parties, and it’s possible you’ll have one contact point for both.

What benefits would I receive?

The proposal should clearly explain what benefits you will receive and how they will apply to your tenancy.

Note: If the embedded network has shared solar panels or batteries installed, the savings or credits these generate are not automatic – they depend on how the operator has set up the agreement. Ask the contact person named in the retrofit proposal how any benefit will work and how it will appear on your bill.

Who will sell me electricity?

Your contract with your current electricity retailer will end. Instead, an appointed energy seller will sell electricity in the embedded network. This could be the embedded network owner or operator, or an authorised energy retailer they appoint. The proposal you receive should clearly explain who the energy seller will be.

[3] For example, the embedded network operator may be able to negotiate a better energy deal for the embedded network by combining the energy use of everyone in the building.

You have a right to find another retailer for an electricity offer, but many retailers do not make offers to customers inside embedded networks. For more information about buying from a retailer of your choice in an embedded network, see ***Choosing your own retailer*** below.

What will my electricity prices be after the retrofit?

Once the embedded network is in place, the energy seller will set the prices, fees and charges. The proposal should clearly explain what you will pay.

When considering the proposed prices, take the time to look at different offers that are currently available to you and how they compare by visiting the AER's comparison website at www.energymadeeasy.gov.au.

Victorian customers can visit www.compare.energy.vic.gov.au/.

Can I choose my own retailer?

Sometimes but not always. See ***Choosing your own retailer*** below.

Do I have to pay for the retrofit?

No. The embedded network owner or operator is responsible for the costs to establish the embedded network.

Will my meter change?

The operator may need to change or reconfigure your electricity meter so your tenancy can be included in the embedded network. You should be told when it will happen, and whether there will be any disruption for you.

Can I install solar, batteries or EV charging?

If you have, or want to install, solar panels, batteries or EV charging, talk to the contact person for the proposal about what options are available to you and how these will be managed within the embedded network.

Who will I contact about my electricity after the retrofit?

The proposal should explain who to contact for billing questions, account issues, faults, complaints or general questions. Depending on the concern, you will either contact the embedded network operator or the energy seller.

What if there is a dispute?

If you have a complaint, your seller is required to have a dispute resolution policy[4] that they must provide you as part of their proposal.

Can I say no?

Yes. See ***If you do not consent*** below.

Can I change my mind later?

While you have the right to find a retailer to sell you electricity within the embedded network, re-connecting your tenancy to the grid can be difficult once a site has been converted to an

[4] This requirement does not apply to large energy customers. Large energy customers are those using between 100-160MWh per year, depending on your state or territory. If you are unsure whether you are a large energy customer, ask your current retailer.

embedded network. This can involve significant cost and may not be possible, depending on the embedded network's wiring and the local distributor's policies.

If you do not consent

Before the retrofit can occur, a minimum of 85% of tenants must give their explicit informed consent.

If you do not consent but the retrofit proceeds, you have certain rights.

The protections you receive will depend on whether you are a small or large energy consumer, and whether each option is possible for your circumstances.

They may need to help you stay with your current retailer	This may be possible if your current electricity contract can still work under the new arrangement.
If you are a large energy customer, they may need to try to keep your current network connection arrangement	Referred to as 'wiring out', this means keeping your connection to the local distributor's network, if this is technically and practically feasible. If you're unsure whether you're a large energy customer, ask the contact person for the proposal or your current retailer.
They need to match a competitive market offer	You can ask the operator to match any genuine electricity offer that would be available to you if you had a direct connection to the electricity network. The operator must fulfil this request. If you use this right, you can ask again 12 months after the date you used it. However, you will lose this right if your lease/tenancy ends or is renewed.

You should not feel pressured to consent

You are entitled to ask questions, seek clarification and request written information before making your decision.

Choosing your own retailer

By default, electricity in an embedded network is sold to you by the energy seller appointed for the site. However, you have the right to choose your own retailer.

If you exercise this right, the embedded network still physically supplies your electricity connection, but your chosen retailer will sell you the electricity usage you consume. This means there are some extra steps involved.

Finding a plan

If you want to buy electricity from an authorised retailer, first you need to find an authorised retailer who will offer you an 'energy only' contract. An 'energy only' contract means the authorised retailer will enter an arrangement with you only for the sale of your energy usage.

However, you may find it difficult to find an authorised retailer who will offer you an 'energy only' contract. Few retailers offer 'energy only' contracts or they may refuse to offer you one. These types of contracts are not listed on comparison websites, so you'll need to contact retailers directly to ask whether they serve embedded network customers.

Your exempt seller does not have to help you find an authorised retailer, but they must not stop you from accessing one.

Once you find a contract

If you find an authorised retailer who has agreed to offer you an 'energy only' contract, you will need to contact your embedded network operator and let them know. Your embedded network operator must then appoint an Embedded Network Manager. The Embedded Network Manager is responsible for making sure that your authorised retailer of choice can start selling you electricity.

The Embedded Network Manager will give you a unique identification for your electricity meter called a National Metering Identifier (NMI). Your authorised retailer will need this NMI to start selling you electricity.

An Embedded Network Manager cannot help you find a retailer and is not involved in the day-to-day management of the embedded network.

You may receive two bills

The embedded network operator will bill you for supply charges to use the network (known as network charges), and your chosen retailer will bill you for the amount of electricity you use. You should never pay network charges twice. If this happens, the embedded network operator must fix it.

In some cases, your operator and retailer may negotiate to combine these into a single bill.

Metering arrangements

Your embedded network operator must install meters that allow retailer choice. However, your chosen retailer may require a different meter, or you may need to rent yours from the embedded network operator. The embedded network operator must not prevent you from making any changes necessary to your electricity meter or wiring for you to be able to buy electricity from an authorised retailer. However, you may need to pay these costs.

The embedded network operator cannot prevent you from accessing a retailer of your choice.

Where to get help

If you need help or want to discuss the proposal, you should contact the contact person named in the proposal.

Independent help and information

Energy Made Easy: www.energymadeeasy.gov.au

Australian Energy Regulator (AER) consumer factsheets for embedded network customers: www.aer.gov.au/consumers/understanding-energy/embedded-networks-customers

If you're unsure, you can also seek independent advice.

Decision checklist

☐ Do I understand what an embedded network is and how it will change my current electricity arrangements?

☐ Do I have the proposal, including the proposed benefits, in writing?

☐ Do I know who will sell me electricity and who will operate the embedded network?

☐ If there is renewable energy onsite, do I understand who will be getting the benefits?

☐ Have I read and understood the proposed electricity supply agreement?

☐ Have I been provided contact details for billing enquiries or faults?

☐ Have I compared the proposed electricity prices, fees and charges with at least one retailer market offer, to see how the prices compare?

☐ Do I understand what happens if I don't consent, including what protections apply?