

# Making offers to embedded network customers:

## The process and role of retailers

- ➔ Retailers play an important role in helping embedded network customers to 'go on-market'. As a retailer, you and your customer service staff should be aware of this role when you offer to supply these customers.
- ➔ New rules for embedded networks require network exemption holders to appoint or become an Embedded Network Manager (ENM). The ENM helps embedded network customers to access retail market offers by arranging for a National Meter Identifier (NMI) to be assigned to the embedded network customer's meter.
- ➔ Importantly, only retailers can request an ENM to assign a NMI to a customer meter.

### Customer right to access retail offers

Under the National Electricity Rules, embedded network customers have the right to seek access to a retailer of choice if they are in a jurisdiction with retail competition.

The Embedded Network Manager (ENM) is a new role created to help customers access retail competition. ENMs are appointed by network exemption holders who own/operate/control an embedded network.

#### What is an Embedded Network Manager?

An ENM is a service provider accredited by the Australian Energy Market Operator (AEMO). Network exemption holders (usually embedded network operators) are required to become or appoint an ENM in accordance with clause 2.5.1(d1) of the National Electricity Rules (NER).

The [AER website](#) has more information on the role of the ENM and the requirement to become or appoint one.

### The ENM role

An ENM can help embedded network customers switch to a market retailer by assigning a NMI to the customer's electricity meter, and updating the NMI standing data in MSATS to enable them to 'go on-market'.

Embedded network customers wanting to 'go on-market' must first approach a market retailer and be offered and enter into a market offer (for small customers) or energy contract (for large customers).

- The retailer must then request the ENM create a NMI, enabling the customer to transfer to the retailer. **Importantly, NMIs for embedded network customers can only be created if you request the ENM to create one.**

### The process for retailers to follow

1. When a customer in an embedded network without a NMI contacts you to 'go on-market', you can choose to provide them with an 'energy only' offer. **Only you, as the retailer, can request the ENM at the customer's embedded network to register a NMI for the customer's meter.**
2. **If a customer is in an embedded network where an ENM has been appointed**, you can look up who the ENM is by using MSATS systems to search for the *parent meter NMI*, *Embedded Network Code* and *ENM Participant ID*. Then refer to the list of *Accredited Embedded Network Managers* on AEMO's website to find the contact details for the ENM (see flow chart below).
  - Alternatively, the customer may be able to provide you with the name of the ENM from their most recent bill. If they can, you can simply refer to the list of *Accredited Embedded Network Managers* on AEMO's website to find the contact details for the ENM.
3. If MSATS does not list an *ENM Participant ID* for a site, and the customer bill does not list an ENM, **an ENM may not have been appointed for the customer's embedded network.**

- ENM appointment is the responsibility of the embedded network operator. The embedded network operator's contact details should also be on the customer's most recent bill.
- **Either you or the customer need to contact the embedded network operator to advise them a customer in their embedded network is going 'on-market'.** The embedded network operator must then appoint an ENM in accordance with the NER.
- Once an ENM is appointed, you can request the ENM to register a NMI for the customer's meter, and initiate the customer transfer.

4. **Where the embedded network customer is already 'on-market'** and wishes to switch retailers, they already have a NMI which is printed on their energy bill.

The process you should follow to assist embedded network customers to 'go on-market' is set out in the flow chart on page 3 of this factsheet.

### What ENMs can't do

1. ENMs cannot help customers find a retailer. Customers need to approach retailers themselves, and the retailer contacts the ENM once the customer signs up with them.
2. Despite the name, an ENM does not actually *manage* the embedded network. Instead, day to day management of an embedded network is undertaken by the embedded owner/operator, who also appoints the ENM.

### Obtaining explicit informed consent (EIC)

Importantly, when supplying a customer in an embedded network you still need to obtain EIC. For further information about EIC refer to the AER website.<sup>1</sup>

### Metering

The embedded network customer's current meter may need to be replaced if the meter does not meet the required standard.<sup>2</sup> If the meter **does** meet the required standard, the embedded network operator may offer to sell or rent the meter to you or the customer.

### Network charges

Embedded network customer bills issued by you should not include network charges. Instead, bills should be for 'energy only'. This is because the embedded network operator pays all network charges for the site's embedded network to their retailer. The embedded network operator recoups this cost from each customer within the embedded network.

You can choose to provide embedded network customers with a single bill that includes network charges if you have an agreement with the embedded network operator to reimburse them for the network charges.

### Who to contact for more information

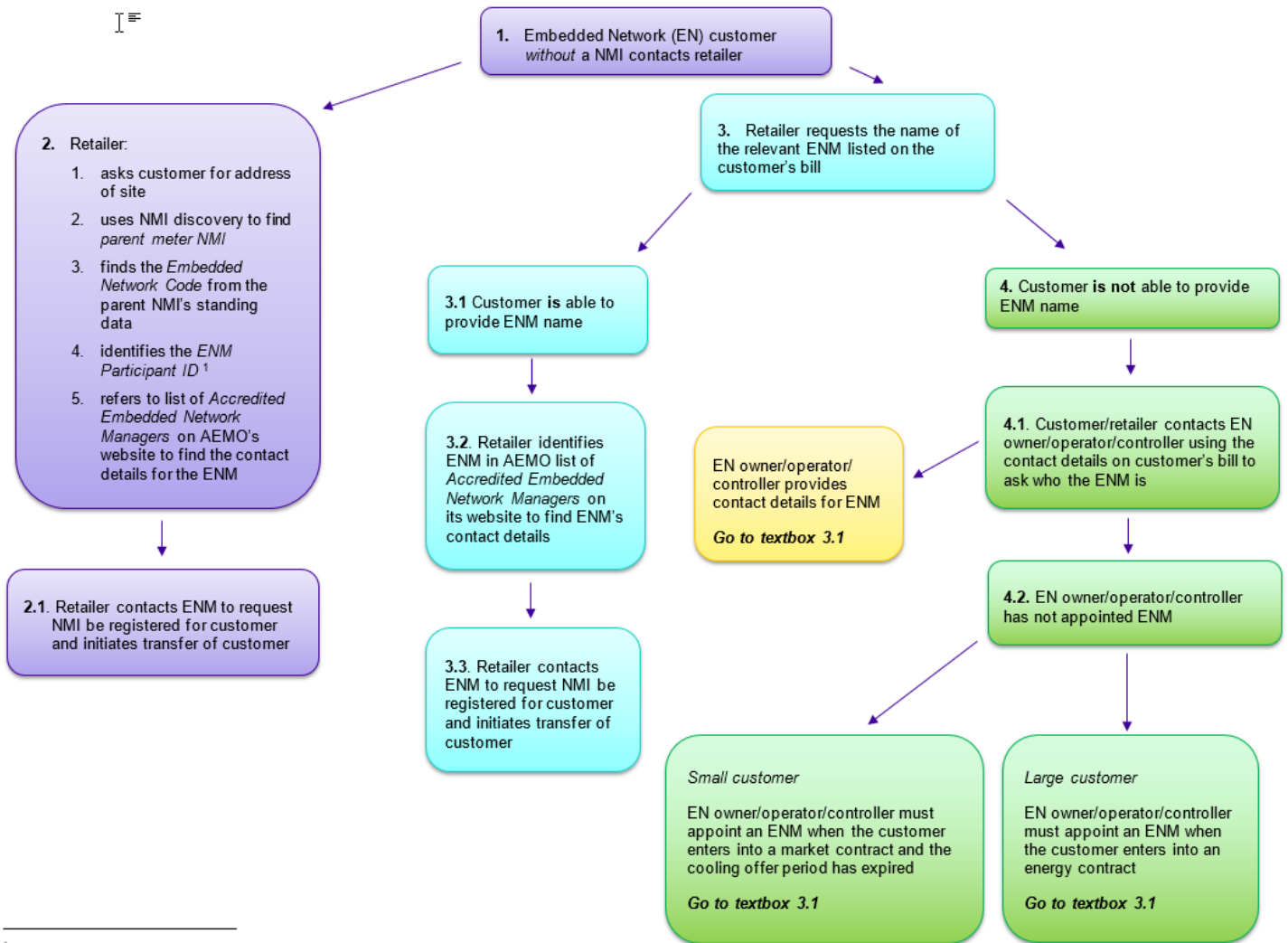
Should you have any questions about the information contained in this fact sheet, you can contact [AERExemptions@aer.gov.au](mailto:AERExemptions@aer.gov.au).

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<sup>1</sup> AER website: <https://www.aer.gov.au/retail-markets/compliance/compliance-check-entering-into-retail-contracts-explicit-informed-consent>

<sup>2</sup> Metering in embedded networks must comply with the normal requirements for electricity metering installations in each State or Territory. Where a jurisdiction has adopted the AEMC Power of Choice reforms, electricity meters must also comply with the minimum specifications for advanced metering. This may mean a new meter is required (See: AER network guideline, section 2.1.1. AER website: <https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/network-service-provider-registration-exemption-guideline-march-2018>).

# Flow chart: Process for retailers to follow when offering to sell to Embedded Network customers without NMIs



<sup>1</sup> The ENM Participant ID is included in the 'Exempt Embedded Network Service Provider' (EENSP) field.