

How to access retailers for your energy needs if you live in an embedded network

What is an 'embedded network'?

An embedded network is created when the electrical wiring and metering at a site (for example, a residential apartment complex, retirement village or caravan park) is configured to enable the owner of the site to sell electricity to all tenants or residents who live there.

The owner of an embedded network usually buys electricity for the entire site from an energy retailer and then 'on-sells' the electricity to the tenants or residents. In some situations, the electricity sold by the owner may be generated on site (such as through solar). Most people that sell electricity in embedded networks are known as 'exempt sellers' because they are not required to become energy retailers authorised by the AER. However, they do need to hold a valid exemption from the AER and follow certain rules. These rules protect your rights.

Living in an embedded network can have benefits, such as lower fees or access to an ecofriendlier energy supply, but it can be difficult and costly to exit the electricity supply arrangements in place and access offers from other energy retailers.

Options for electricity supplier

If you live in an embedded network, you can buy your electricity from either an <u>authorised</u> <u>energy retailer</u> or from the exempt seller. However, you may have difficulty buying electricity from an energy retailer. This is because of the way the network wiring is usually configured and because energy retailers may not want to sell to an embedded network customer. Authorised retailers are not obliged to supply your electricity if you live in an embedded network.

If you can, and decide to, buy from an authorised retailer instead of your site's exempt seller, you will also need to make sure you don't pay twice for network charges. Network charges are the fixed part of supplying electricity to your home or business and relate to the cost of transporting electricity via electricity poles and wires, to the place you reside. In an embedded network, the owner or operator of the site pays the network charges and then bills you for your share. This is not a problem if you buy your electricity from the exempt seller. A retailer normally also charges consumers a network charge. If you choose to buy from a retailer, check that the energy retailer will give you an 'energy only' offer or that the owner or operator of the site can make arrangements with the retailer about who will bill you for your network charges.

How to buy from an authorised retailer

If an authorised retailer has agreed to give you an 'energy only' offer, you will need to contact your current energy supplier (the exempt seller) and advise them that you wish to buy electricity from an authorised retailer. This is often referred to as going 'on market'.

To facilitate your request, the exempt seller must appoint an 'Embedded Network Manager'. The exempt seller is only required to appoint an Embedded Network Manager once you have found an authorised retailer who has agreed to provide you an 'energy only' offer.

Role of Embedded Network Manager

An Embedded Network Manager is a service provider accredited by the Australian Energy Market Operator (AEMO). An Embedded Network Manager creates a record of your meter in the national market, which means authorised retailers can identify your meter and sell you electricity. The Embedded Network Manager will give you a reference number called a National Metering Identifier (NMI) that retailers will need 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.

The <u>AER website</u> has more information on the role of the Embedded Network Manager and the requirement to become or appoint one.

'Off market' vs 'on-market'

For off-market embedded network customers, the site owner on-sells electricity to individual customers within the site's embedded network.

For on-market embedded network customers, their electricity meter is registered in the national market system (referred to as MSATS (Market Settlement and Transfer Solution)), which is operated by the market operator, AEMO. A customer can then be 'won' by any authorised retailer operating in the customer's area. To the retailer, the customer will become visible in the same way as other customers directly connected to the distribution system on their street.

Cost of changing energy supplier

When you choose to go 'on market' and buy your electricity from an authorised retailer, you may need to pay for your existing meter to be replaced. This will be required if the meter does not meet required specifications in your state or territory.

If the meter does meet the required standard, the embedded network owner/operator may offer to sell or rent the meter to you.

The embedded network owner or operator must not prevent you from making any changes necessary, including to infrastructure (wiring and metering) to facilitate this but you will have to bear the costs of these changes. There can be significant costs involved if you live in an older embedded network because the metering infrastructure and wiring may require an extensive upgrade to meet the required specifications in your state.

Can the energy ombudsman help with a problem?

Exempt sellers and network operators who supply electricity to residential consumers must join the energy ombudsman in their state or territory if membership is available (and if required to do so by the AER). Please contact your state or territory ombudsman to discuss your complaint.

More information

Australian Energy Regulator

AER Infoline 1300 585 165

AER website www.aer.gov.au

Energy Made Easy www.energymadeeasy.gov.au

Indigenous Infoline 1300 303 143

For information in languages other than English call 13 1450 and ask for 1300 585 165

Speak and Listen users phone 1300 555 727 and ask for 1300 585 165

TTY users phone 13 3677 and ask for 1300 585 165

Internet relay users connect to the National Relay Service (www.relayservice.com.au) and ask for 1300 585 165

For advice on payment plans or how much you can afford to pay, call **1800 007 007** to speak to a financial counsellor. This is a free call from 9:30 am to 4:00 pm, Monday to Friday. You will be automatically transferred to the phone service in your state.

Ombudsman schemes

State	Ombudsman	Telephone	Website
Australian Capital Territory	ACT Civil and Administrative Tribunal	02 6207 1740	www.acat.act.gov.au
New South Wales	Energy & Water Ombudsman NSW	1800 246 545	www.ewon.com.au
Queensland	Energy and Water Ombudsman Queensland	1800 662 837	www.ewoq.com.au
South Australia	Energy and Water Ombudsman South Australia	1800 665 565	www.ewosa.com.au
Tasmania	Energy Ombudsman Tasmania	1800 001 170	www.energyombudsman.tas.gov.au
Victoria	Energy and Water Ombudsman (Victoria)	1800 500 509	www.ewov.com.au

Australian Competition and Consumer Commission

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Important notice

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