

Hi,

I'm an embedded network customer who wishes to switch out and I was hoping to know what your **energy-only offers** are. These offers do *not* include network related costs, and should only cover the cost of the electricity consumed. If you need the address in order to get accurate pricing information, it is:

U 611 77 Queens Road  
Melbourne VIC 3004

I have already contacted a number of energy providers, and generally the first answer is "you cannot do that"; however this is simply false. You can find out information about customers rights from the Energy and Water Ombudsman of Victoria (EWOV) and for your convenience I have attached two of EWOV's fact sheets regarding my rights to switch out from an embedded network. Additionally, I have also attached a factsheet from the Australia Energy Regulator (AER) intended for energy retailers as to how you can make an offer to embedded network customer.

I have contacted my embedded network provider, and they have confirmed that the meters are NMI compliant and they can issue an NMI at no cost, so there generally should not be any need for a new meter to be installed.

I appreciate you reading this, or passing it on to someone who can handle this enquiry as I understand this is unusual and more complicated than usual.

Regards

# Embedded Networks Basics

## Information for Victorian electricity and gas customers

→ **Do you live in an apartment, retirement village or caravan park?** If you do, you might be part of an Embedded Network. Embedded networks are private electricity networks that supply homes or businesses within a specific area. They are common in apartment buildings, shopping centres, caravan parks and retirement villages.

### Am I in an embedded network?

There are hundreds of embedded networks in Victoria, some of them quite small.

Many embedded networks use an agent to send bills and provide customer service. Some of the larger agents are WinConnect, Energy On, Active Utilities, ENSA, Energy Intelligence, Benergy, Network Energy Services and OC Energy. If you receive bills from any of these companies, you are in an embedded network.

If you are still not sure if you are in an embedded network, call your body corporate, the operator of your caravan park or retirement village, or the company named on your electricity bill. You can also check the [Essential Services Commission's register](#) of embedded networks to see if yours is listed.

### Can I switch to a different company?

Most Victorians know that they can shop around and choose their energy retailer. However, switching is much more complicated for customers in embedded networks.

The process for switching to a different retailer for your electricity costs is new, and changing can be complicated.

For more information on the process, see our fact sheet – [‘Switching for Customers in Embedded Networks’](#).

### What's changed for embedded network customers?

The Victorian government made changes to the law to increase consumer protections for customer's in embedded networks.

Customers in embedded networks now have clearer rights and are able to complain to EWOV if they can't resolve a problem.

### What are my rights?

Electricity customers in Victoria have rights about how they **buy** electricity and how that electricity is **supplied** to them.

Customers **buying** electricity in embedded networks have most of the same rights, protections and responsibilities as other customers under the *Energy Retail Code*.

Most parts of the *Electricity Distribution Code* also apply to embedded network customers' rights to do with how their electricity is **supplied**.

### What should I do if I have a problem with my embedded network?

Contact them first and ask to make a complaint. All embedded networks must have a process for handling complaints from customers. If you can't resolve the problem with your embedded network, contact EWOV.

We can only handle complaints about embedded networks that are members of EWOV. All embedded networks in Victoria must join EWOV, but some have not yet joined.

You can check whether or not your embedded network is a member on the [embedded networks page on the EWOV website](#). Even if your embedded network isn't listed as a member, you should still contact us so we can make a record of your complaint and let you know when they join.

#### FOR FURTHER INFORMATION:

**Online:** ewov.com.au  
**Freecall:** 1800 500 509  
**Email:** ewovinfo@ewov.com.au

**Post:** GPO Box 469, Melbourne, Victoria 3001  
**Translating and Interpreting Service:** 131 450  
**National Relay Service:** 133 677



## SWITCHING FOR CUSTOMERS IN EMBEDDED NETWORKS

While customers in embedded networks have the **right** to switch to a different company, in practice, there are still barriers to switching. This fact sheet explains some of the issues.

### Am I in an embedded network?

If you are still not sure if you are in an embedded network, call your body corporate, the operator of your caravan park or retirement village, or the company named on your electricity bill.

There are hundreds of embedded networks in Victoria, some of them quite small. Sometimes customers don't know that they are in an embedded network. Many embedded networks use an agent to send bills and provide customer service. Some of the larger agents are WinConnect, Energy On, Active Utilities, ENSA, Energy Intelligence, Benergy, iGENO, Network Energy Services and OC Energy. If you receive bills from any of these companies, you are in an embedded network. You can also check the Essential Services Commission's new [register](#) of embedded networks to see if yours is listed (however, some embedded networks are not included on this list).

For more basic information about embedded networks, see [Fact Sheet 38: Embedded Networks](#).

### The right to switch

Most Victorians know that they can shop around and choose their energy retailer. However, switching is much more complicated for customers in embedded networks – private electricity networks that supply all the homes or businesses within a specific area, such as an apartment building. Because embedded networks are exempt from the normal requirement to have a licence to sell electricity, they are often called exempt sellers.

### The barriers to switching

Embedded network customers have a right to switch to a licensed retailer, and recently, government and regulators have introduced new rules to try to make this easier to do. However, there are still barriers that may make switching difficult for embedded network customers.

### You can only switch part of your bill

An ordinary electricity bill covers:

- the cost of the **electricity consumed**
- the cost of using the **electricity network** (the poles and wires).

Customers in embedded networks have the right to choose to buy the **electricity** they use from a licensed retailer, rather than from their embedded network. However, because of the way embedded networks are set up, customers must continue to pay the embedded network – not their new retailer – for **network-related costs**.

**Tip:** If you're shopping around, you will need to ask retailers for an **energy-only offer** that doesn't include network-related costs. Embedded network customers can't sign up for ordinary offers, which include network-related costs.

If you successfully switch to a retailer for the electricity you use, you will receive two bills: one from your retailer (for electricity) and one from your embedded network. In future, embedded networks and retailers might work together so that retailers can send embedded network customers a single bill that includes all charges. The retailer would then pay the embedded network for **network-related costs** on your behalf. However, to EWOV's knowledge, these processes aren't in place yet.


### You may not get any offers from retailers

In order to switch out of an embedded network, customers must find and agree to a contract from a retailer. However, retailers **don't have to make offers** to customers in embedded networks. EWOV is aware that some embedded network customers have tried to switch but couldn't find any retailers that would make contracts available.



## You may need to replace your meter


To become a customer of a licensed retailer in Victoria, by law you must have an electricity meter that meets certain technical requirements. If you are in an embedded network, your meter may or may not meet these requirements. If it doesn't, it will need to be replaced before you can switch to a retailer. If your meter needs to be replaced, you will be expected to pay for this. If you're a renter, you may need permission from your landlord to make any metering changes.



**Tip:** Contact your embedded network and ask them whether your meter is compatible with 'on market' requirements. If it isn't, ask them what metering options would enable you to choose a different retailer.

## What embedded networks have to do to help you switch

Recently, new rules were introduced requiring embedded networks to make switching easier. Under these rules, embedded networks now have to appoint an **embedded network manager**, whose job it is to help enable switching.




**Tip:** If your embedded network has appointed an embedded network manager, it may be named on your bill.

Outside of embedded networks, electricity meters each have an identifying number, known as a National Metering Identifier (NMI). These numbers are listed in a national database, the Market Settlement and Transfer Solution (MSATS). This database is used whenever a customer switches to a new retailer.

### Customers can only switch if they have a NMI.

However, ordinarily, electricity meters inside an embedded network do not have NMIs. The embedded network manager's role is to give customers a NMI for their meter and list it in the national database. In theory, this should make it possible for the customer to switch to their preferred retailer. However, if you want to switch, you'll still need to find a suitable contract and consider your metering options. Even then, the lack of any past transactions with a retailer associated with your NMI may be another barrier to switching.



**Tip:** Before you can be given a NMI, you'll need to find and accept an offer from your preferred retailer. The retailer will then ask the embedded network manager to create an NMI – customers can't request a NMI directly.



## Checklist

Don't know where to start? This checklist may help.

### Talk to your embedded network:

- ☐ Tell them you want to switch.
- ☐ Ask what your metering options are.
- ☐ Ask who the embedded network manager is.
- ☐ Ask what network charges you would need to continue paying if you switch.

### Talk to retailers:

Contact your preferred retailer(s).

- ☐ Explain that you are in an embedded network and want to switch.
- ☐ Ask if they will give you an energy-only offer.

### Contact EWOV:

- ☐ If you can't sort out the problem with your embedded network directly, contact EWOV. We will look at the steps that you, your embedded network and your chosen retailer have taken to try to enable switching, and help work out the next steps to take.

# 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.

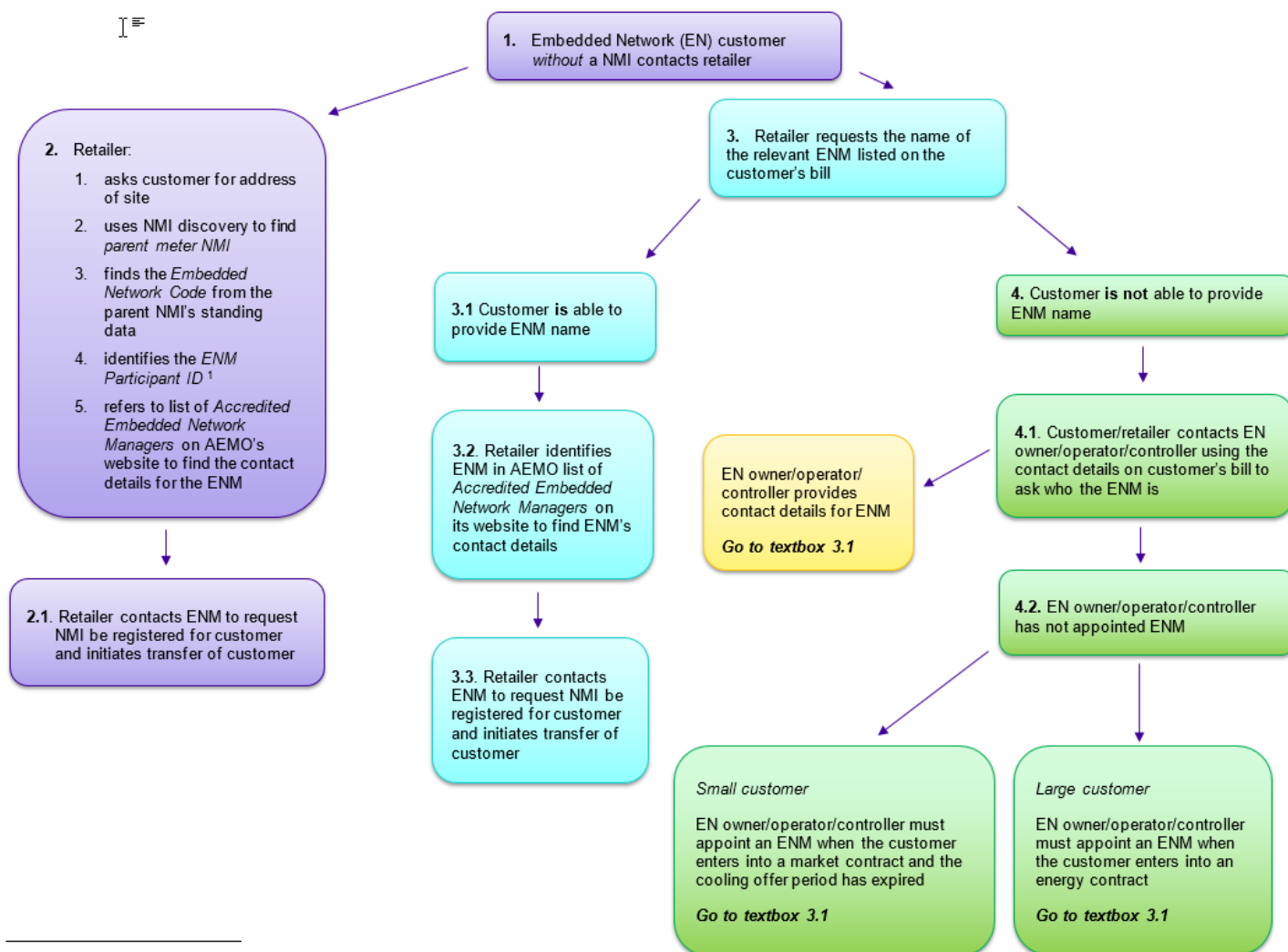
### Who to contact for more information

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).

<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.