Factsheet Embedded networks



February 2023

We are independent. Our complaint resolution service is free, fair and easy to use. If we can't help you, we will tell you about someone who can.

What is an embedded network?

Most customers buy electricity from an authorised retailer, but some get it from an embedded network operator.

An embedded network is a private network that supplies electricity to residents or businesses in a specific area like an apartment building, a shopping centre, a caravan park or a retirement village. It is connected to the electricity grid.

An embedded network operator is known as an exempt seller (ES) or on-seller because:

- they usually buy electricity in bulk from a retailer and on-sell it to its customers inside the network
- they do not have to be authorised as energy retailers by the Australian Energy Regulator (AER) but they must hold a valid exemption from the AER and follow certain rules that protect customer rights.

Choosing where to buy your energy

Customers in an embedded network can buy their electricity from:

- an exempt seller (ES)
- an authorised energy retailer (AR).

Buying from an ES

When you buy electricity from an ES, the ES must:

- tell you about your rights and protections at the beginning of your contract or agreement
- give you a copy of its exemption conditions and explain what it must do to meet them
- give you the AER's fact sheet about how to buy your energy from an AR if you want to.

This fact sheet is on the AER's website: www.aer.gov.au

Protections when buying from an ES

If you are a residential customer living in a caravan park, retirement village or apartment building, you will be protected through the provider's exemption conditions.

These protections are like the protections in the National Energy Retail Law and the National Energy Retail Rules.

They include:

- a cap on your energy charges so they can be no higher than the standing offer prices an AR can charge
- notice of price changes as soon as possible, and no later than your next bill
- clear, set times for receiving and paying bills
- flexible payment options to help you if you experience financial hardship
- information about the concessions, rebates or relief schemes available to help you pay
- clear, fair disconnection procedures.

Billing

Your bill should tell you:

- all tariffs, fees and charges
- how much energy you have used
- if it is an estimated bill because the ES could not read your meter. See our fact sheet about estimated bills to learn more about this.

Payment help

Your ES must have a hardship policy that tells you how it helps customers who have trouble paying.

It should give you a copy of this policy when you move into the property and if you ever have payment problems.

If you do have payment problems, your ES must offer you a payment plan and other help.

See our fact sheet about payment help for more information.

Disconnections

You cannot be disconnected if:

- you have told your ES you are experiencing financial difficulties and are working out a payment plan
- you are on a payment plan and meeting it
- at certain times such as before 8.00am or after 3.00pm and on weekends and public holidays
- if you rely on life support equipment and have registered as a life support customer.

For more information about your disconnection rights see our fact sheet: Avoiding disconnection.

Complaints

Embedded network operators who supply electricity to residential customers must become members of the EWOSA scheme.

This means you can bring a complaint to us – after you have tried to resolve it with your ES.

We are independent and can help you resolve your complaint fairly.

Read our fact sheet *Making a complaint* for more information.

Business customers

Embedded network operators who supply electricity to business customers do not have to join the EWOSA scheme – but they must still take your complaint seriously and help you resolve it.

Buying from an AR

Buying your electricity from an AR is not easy because you need to find an AR with an energy only contract.

Network charges and energy only contracts

Network charges are the fixed part of supplying energy to a home or business.

Usually in an embedded network, the owner or operator of the site pays the network charges and bills you for your share.

If you decide to buy from an AR instead of your site's ES, you must find an authorised retailer who will offer you an energy only contract.

An energy only contract means the authorised retailer will sell you energy only, and not any other services including the network charges.

Switching to an AR

Step 1: When you've found an AR who will offer you an energy only contract and you want to switch, you must tell your current ES.

Step 2: Your ES must appoint an embedded network manager (ENM) to make sure the AR you have chosen can start selling you electricity.

Step 3: The ENM must give you a unique identification number for your electricity meter called a national metering identifier (NMI). Your AR needs this to start selling you electricity.

Costs

When you decide to buy your electricity from an AR, you may have to upgrade your wiring or meter so they meet current standards.

Your ES cannot stop you from making these changes, but you will have to pay for them, and the costs could be high.

If your meter is up to standard, the network's ES could sell or rent it to you.

Protections

When you buy electricity from an AR, you have protections under the National Energy Retail Law and the National Energy Retail Rules. See our fact sheet about energy contracts to learn more.

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We acknowledge and respect the important connection of First Nations people to their lands and waters. Together we can learn, as we listen and observe the world's oldest living culture, therefore harmonising with their customs and traditions.