

Embedded Network Action Plan – Improving outcomes for customers of embedded networks

We are committed to a suite of new reforms designed to bring outcomes for embedded network customers in-line with those in traditional energy supply arrangements.

The NSW Government Embedded Network Action Plan (the Action Plan) aims to provide more equitable consumer and price protections for embedded network customers.

The NSW Government Embedded Network Action Plan

What we will do immediately

- Commit to introducing a maximum price for energy sold to customers of hot and chilled water embedded networks and for gas embedded networks to protect customers from unreasonably high prices,
- Release a Ministerial Statement of Expectations that outlines the NSW Government's expectations that:
 - Hot and chilled water embedded networks customer should have access to equivalent consumer protections to on-market customers under the National Energy Customer Framework; and
 - all electricity embedded network operators should abide by national default market offer (DMO) maximum prices, protecting customers from unreasonably high prices.

What we will do in the medium term

- Pursue regulatory and legislative changes to provide enforceable consumer protections to customers of hot and chilled water embedded networks, giving effect to the Ministerial Statement of Expectations.
- Expand the Energy Accounts Payment Assistance scheme to ensure customers in embedded networks have equal access to emergency financial support at times of crisis.
- Initiate a review by the Independent Pricing and Review Tribunal (IPART) NSW to:
 - determine the appropriate method for setting the maximum prices for hot and chilled water services, and gas services, in embedded networks;
 - consider whether new hot and chilled water embedded networks are in the long-term interest of customers, and whether the NSW Government should ban their establishment by third party operators;
 - consider whether a maximum price that is below the DMO price for electricity embedded networks is required, and a preferred methodology for such a maximum price.

- Improve disclosure and consumer awareness by ensuring prospective purchasers and tenants of a strata property are aware of the existence of embedded network arrangements prior to purchase or leasing.
- Implement recommendation 120 of the Statutory Review of the Strata Schemes Development Act 2015 and Strata Schemes Management Act 2015, protect electricity embedded network customers in strata schemes from long contract terms.
- Continue national advocacy with the view to:
 - amend the AER Retail Exempt Selling Guideline to improve consumer protections for embedded network customers,
 - improve embedded network customer access to retail competition, including through changes to the process for securing a National Meter Identifier, and
 - enhance the national approval process for new retailer and network exemptions to ensure any new embedded networks are in the long-term interests of consumers.

Contact

Please send any queries or concerns relating to the Action Plan to the Energy Consumers and Competition Policy at the NSW Government Office of Energy and Climate Change at energy.consumerpolicy@dpie.nsw.gov.au.