



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.