

Embedded network operators attend launch of new guide

14 October 2020

Electricity and gas

Around 70 embedded network operators, industry peak bodies and other stakeholders met yesterday for the launch of a [new guide](#) to help operators understand their obligations to consumers.

Chaired by commissioner Simon Corden, attendees heard from energy executive director Sarah McDowell on the role the commission plays [in regulating embedded networks](#).

The Energy and Water Ombudsman of Victoria, Cynthia Gerbert also presented on their role in providing free and independent dispute resolution services for embedded network customers.

The presentations were followed by a question and answer session with participants asking questions about connecting to solar power, how to register as an embedded networks operator, on the roles of the commission and ombudsman and where to raise complaints.

The new guide, created to help operators of embedded networks comply with their obligations to customers, was officially launched along with an updated webpage.

Commissioner Corden's introductory notes

Please note this is a summary not a full transcript

Good afternoon everyone and welcome to today's launch of [our embedded network, licensing exemptions guidance](#). I am Simon Corden, one of the commissioners at the Essential Services Commission.

Acknowledgement of country

To start, I'd like to acknowledge the Traditional Owners on all of the lands we're meeting on today and pay my respects to Elders past, present and emerging.

I would like to acknowledge the connection that Indigenous Australians hold to country and culture, particularly at this time of great uncertainty.

We have around 70 people here today, including embedded network operators and industry peak bodies – an exceptional turn out which reflects the importance of embedded networks and their role in serving many people across various sectors of our community and economy.

I would also like to introduce some key people here today:

Ombudsman Cynthia Gebert is joining us from the Energy and Water Ombudsman Victoria. I would like to say a sincere thank you to Cynthia and the team. It was the team at the Ombudsman's office who highlighted to us that there was a gap in the level of guidance, support and information available to embedded network operators.

They have been a key contributor to the development of this material and we thank them for their input and support.

I would also like to introduce some key commission people who are here today:

- Sarah McDowell, Energy Executive Director
- Con Sagonas, Senior Regulatory Manager, Regulatory Operations
- Doug Young, Manager Marketing Operations
- Kimberley Longmore, Licensing Exemptions Lead

- Ann Randles, Senior Engagement and Education Officer
- Marcus Crudden, Price Monitoring and Regulation Director
- Dean Wickenton, Senior Regulatory Manager
- Michelle Bryne, Head of Strategic Communication.

Today, [we are launching our new guidance document](#), designed for embedded network operators, to help them meet their obligations in managing their networks.

Like all Victorians, customers of exempt sellers (those living or operating businesses in embedded networks) have protections and exempt sellers are required to meet obligations to achieve these protections.

We also want to develop a better understanding of the needs of embedded network operators, and what we can do to support you to comply with your obligations.

A new phase in the commission's relationship with embedded network operators

We are commencing a new phase in our relationship with embedded network operators.

Our goal is to engage purposefully with you – to ensure we understand your needs and that you clearly understand your obligations to your customers under the rules that guide your electricity activities, the general exemption order.

While today is a first step in building that long-term relationship, we have been working on the foundation for this work for a while.

We have updated our guidance and [our website content](#), and we have worked with our colleagues at the [Energy and Water Ombudsman](#) to better understand the environment.

The role of the Essential Services Commission for embedded networks

The Essential Services Commission is Victoria's independent economic regulator of many industries – one of which is energy.

This year, [the Victorian default offer became the maximum price for embedded network customers](#) to ensure they too have access to a fair electricity deal even when they can't choose their energy provider in an open market.

We have four roles when it comes to embedded networks:

- we manage the exempt person register
- we develop protections for customers living in embedded networks
- we ensure compliance with the rules that apply to embedded network operators and
- we set the default offer – the maximum price for electricity for embedded network customers.

Obligations of exempt persons

The majority of 'exempt persons' who are selling or supplying electricity through an embedded network need register with us and become a member of the Energy and Water Ombudsman.

Our register aims to:

- keeping your registration up to date maintains your exemption from holding a licence - without it, you must apply for and be granted a licence, or you cannot sell or supply electricity
- it is also a public register so customers can look up to see who to contact if they need to.

We also ensure compliance with the general exemption order - the legal instrument that allows you to operate your networks without a licence.

The obligations we are talking about today was created to give embedded network customers some of the same protections other customers enjoy – regardless of who supplies their electricity.

We have an important partner in the work of protecting customers and that partner is the Energy and Water Ombudsman of Victoria.

Role of the Energy and Water Ombudsman: Ombudsman Cynthia Gerbert

As the Energy and Water Ombudsman for Victoria, Cynthia gave an overview on the role of the ombudsman in supporting exempt sellers:

We are the dispute resolution scheme for exempt persons. We have 537 members, most of whom are exempt persons. There are energy and water ombudsman's throughout Australia

As an independent entity, we are not part of government or a regulator – we don't act for the consumer or for the entity specifically.

Our role is around resolving individual complaints independently and efficiently and seeing what we can do to reduce the occurrence of complaints.

We use the information and data from the 25,000 cases brought to us each year to bring more clarity to what actually is going on for consumers.

We started to see issues around embedded networks, but we were unable to help consumers as embedded networks weren't members of our schemes. There were gaps in consumers protections, and they were starting to experience detrimental effects because of it.

Open discussion

The group then participated in a discussion with Commissioner Corden inviting questions from the group. Questions included:

- the role of the ombudsman in the future of embedded networks
- the power of choice for consumers
- use of solar power for caravan parks
- transfer of licences to a new business owner if the embedded network is sold
- where to register as an embedded network provider
- where embedded networks can raise complaints about a rogue operator

- if the commission regulates the pricing for gas in caravan parks.

Closing remarks

Commissioner Corden wrapped up the discussion with key reflections, thanked speakers Energy and Water Ombudsman Cynthia Gerbert and Energy Executive Director Sarah McDowell, and everyone for participating.

For more information about the guide, [please visit the information page](#).

For information for customers, [please visit our customer page](#).

We encourage embedded network operators to reach out if you need clarification on the guide or your role as an exempt seller. Contact us on: exemptionregister@esc.vic.gov.au

For general enquiries

Phone: [\(+61 3\) 9032 1300](tel:+61390321300) or [1300 664 969](tel:1300664969)

Email: reception@esc.vic.gov.au

You can also find us on [Facebook](#) and [LinkedIn](#).

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