

Good morning

The Victorian Government has recently changed the rules relating to the sale and supply of electricity to people living within an Embedded electricity Network (EEN), including:

'You cannot be charged more than your local area retailer's standing offer – this means that the cost of your daily supply charge and the price you pay per unit of electricity is capped to a comparable price for your location.' Essential Services Commission Information for customers living in retirement villages 26 June

2018 https://www.esc.vic.gov.au/sites/default/files/documents/Information%20for%20customers%20living%20in%20retirement%20villages_0.pdf

However, this will still allow overcharging in a competitive market place where discounts are commonplace. For example, the Victorian Energy Compare site allows one to view comparisons based on:

'Price' includes all guaranteed discounts - These are discounts that you are entitled to and don't need to do anything to receive. 'Discounted Price' includes both guaranteed and conditional discounts (E.g. Pay on time discounts, direct debit discounts).

As you can see from the attached example, for a small home such as a retirement village unit in Doncaster 3108, there are numerous offers including discounts at under the \$1,400 pa offer by Energy Australia (the local area retailer), but the estimated prices without conditional discounts are about the \$1,870 pa of Energy Australia. In other words, conditional discounts of at least 25% are commonplace. When one compares (Energy Australia \$1,400) to offers with no discounts, presumably the 'standard offer' of Energy Australia at \$2,470 (also attached), the discount that could be obtained is about 43%! By only requiring the EEN seller to cap the price to a retailer's standing offer, the resident may be overcharged considerably compared with the market place.

Please change the reference point from:

'You cannot be charged more than your local area retailer's standing offer ...'

To:

'You cannot be charged more than your local area retailer's 'Discounted Price' including both guaranteed and conditional discounts ...'

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