

# Obligations for electricity sellers in embedded networks

Information for selling to residential customers (including apartments, rooming houses, caravan parks and retirement villages)



## Key facts



The rules are changing for people who sell electricity in embedded networks, including apartments and rooming houses.

If you sell metered electricity in an embedded network, you will need to adhere to new obligations.

For the full details of the new obligations, review our final decision and version 12 of the Energy Retail Code.

The Victorian Government has updated the rules for anyone who sells electricity and is exempt from holding an electricity retail licence (also known as exempt sellers). The changes aim to provide customers living in embedded networks with similar protections to other Victorian energy consumers.

The government asked us to identify which protections should be available to customers in embedded networks, which includes many apartment buildings, rooming houses, caravan parks and retirement villages.

In response, we have made changes to the obligations for exempt sellers, aligning them with the rules in other states and territories where possible.

These obligations are in addition to the conditions of the government's order (November 2017) that requires exempt sellers to be a member of Victoria's energy and water ombudsman for dispute resolution and, in some cases, to register with us.

## Who is affected?

The changes apply to exempt sellers who sell metered electricity to any residential customers within the limits of a site that they own, occupy or operate (such as apartment buildings and rooming houses).

Determine what the changes mean for you by reviewing our final decision and version 12 of the Energy Retail Code. Both documents are available on our [website](#).



This guide contains general information and is not a substitute for legal or other advice which may be required by the exempt seller.

## Which obligations have we identified?

To ensure customers in embedded networks have protections that meet the government's objectives, we have identified rules set out in our energy retail code. Broadly, they require you to:

- get customer consent to an electricity selling arrangement
- provide a separate bill with specific details to each customer
- provide clear information to customers
- offer assistance to customers who have difficulty paying bills
- follow rules for disconnecting customers, including those with life support equipment.

### Getting a customer's consent to an electricity selling arrangement

Exempt sellers must provide customers with a range of information prior to getting their agreement to sign up to the arrangement, and before selling electricity to a customer.

This is referred to as 'explicit informed consent'. It includes information about:

- their choice of retailer
- tariffs and payment plans
- dispute resolution options
- any available assistance.

See **clause 9 of the order and clause 3C of the retail code** for details, particularly if you plan to get consent verbally or electronically.<sup>1</sup>

Records of customer consent must be kept for at least two years – clause 3D details what the records must look like. You must also keep records of customer withdrawals from arrangements (clause 47).

Explicit informed consent is required before you can:

- deliver customer notices and other documents electronically (clause 3F).
- calculate a customer's bill by any means other than metering data (clause 20).
- estimate a customer's bill (clause 21).
- 'smooth' a customer's bill over a 12 month period – the retail code contains specific rules for an exempt seller when they offer bill smoothing (clause 23).

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<sup>1</sup> [https://www.energy.vic.gov.au/\\_data/assets/pdf\\_file/0029/89309/General-Exemption-Order-2017-GG2017S390.pdf](https://www.energy.vic.gov.au/_data/assets/pdf_file/0029/89309/General-Exemption-Order-2017-GG2017S390.pdf)



- deliver written communication via a method other than post (clause 87).

More details on these obligations are contained in the retail code clauses noted above and section 3.2.1 in our final decision.

### **Delivering clear and regular bills**

You must provide customers with at least one bill every three months. There are a number of other obligations you need to keep in mind when billing customers. For more detail on these requirements for bills refer to the retail code or section 3.2.3 in our final decision.

One key protection for customers is that exempt sellers provide them with all necessary information on their bills. Bills for residential customers must include:

- customer name and account number
- customer premises address and mailing address (if different)
- meter identifier
- billing period, 'pay by' and 'bill issue' date
- total amount payable, including amounts of any arrears or credits
- applicable tariffs and charges
- the basis on which tariffs and charges are calculated
- whether the bill was issued using a meter reading (including the reading date) or an estimation
- the values of meter readings from either an interval or smart meter (or, if applicable, estimations) at the start and end of the billing period
- consumption or estimated consumption of energy
- available payment methods
- information about available government-funded energy charge rebates, or concession or relief schemes
- a phone number for enquiries, the charge for which is no more than a local call
- a phone number for complaints (which may be the same as that for account enquiries), the charge for which is no more than the cost of a local call
- any proportionate billing information in accordance with clause 22

Additionally, if a customer's bill is derived using interval data from a smart meter, you must provide:

- the index read at the start and end of the billing period
- the actual tariffs
- the total amount of electricity (in kWh) consumed in each period or class of period in respect of which a relevant tariff applies to a customer.

You must also include amounts billed for goods and services (other than the sale and supply of energy) in a separate bill or as a separate item in an energy bill.



These obligations are taken from clause 25. Further billing obligations are detailed in the retail code.

### **Assistance for customers who have difficulty paying bills**

If a customer tells you they are having (or predict they will have) difficulty paying bills, you must provide assistance, including:

- flexible payment options
- information on accessing other assistance such as concessions or grants.

Customers in arrears may also be provided more tailored assistance. Exempt sellers are prohibited from engaging debt collection services for a customer on a payment plan. For further details on these obligations refer to section 3.2.2 in our final decision.

### **Providing information that is easy to understand**

All information must be easy to understand. This includes any information that is:

- provided when you get customer consent to sell them electricity
- in their bills
- on changes to pricing or benefit conditions (e.g. discounts on pricing)
- provided at the end of an electricity selling arrangement
- in relation to assistance available for customers who have difficulty paying bills.

### **Disconnecting customers and customers with life support equipment**

Our retail code specifies when an exempt seller can and cannot disconnect a customer's supply.

Electricity is an essential service and disconnection should only occur as a last resort.

Specific circumstances when you would be able to disconnect a customer may include where electricity is being used illegally, or if you have attempted to resolve a non-payment but the customer hasn't responded. Further detail on these and other rules can be found in section 3.2.5 of our final decision.

You must inform your licensed electricity retailer if a customer requires life support equipment. If you are not responsible for the energy supply in the embedded network at your site, you will also need to inform the embedded network's electricity supplier.

See section 3.2.4 of our final decision for further details.

## **Contact us**

Got a question? Follow us on LinkedIn and Twitter, or view our contact details:

<https://www.esc.vic.gov.au/contact-us>.