

Hi

As a customer of an embedded network, I have 2 concerns re current practice. Neither of these are required today, and neither have been included in the proposals however I believe that should be considered in light of (1) current government policies regarding emission reduction, and (2) your upcoming review on maximum pricing.

1. There is no provision to require a greenpower product. Whilst normal retailers do not have to provide this either, their customers are free to shop around. We embedded network customers do not have that option, and are often compelled to use dirty coal powered supply. This is restrictive, unfair and unethical. It is also uncompetitive, and fails to support the government's targets, nor the renewable industry. This restriction should be outlawed immediately.
2. There is no requirement to offer a discounted product, although the Standard Rates are the defined maximum. Embedded networks are promoted as being discounted supply, however they can be sold at full market rates. Similar to item 1, customers on the Standard Rates can shop around for better deals, we cannot. I'm sure the embedded suppliers are buying in bulk, they should be mandated to pass on a significant portion of those savings.
3. Price increases, from those quoted to the OC prior to the original installation, should be capped at the same % as increases to Standard Rates. So if the Standard Rate increases by 10% for supply and 8% for usage, then the embedded pricing should reflect that and higher increases should be outlawed. This should be backdated to their original installations (maybe a max 10 years) rather than taking effect from current pricing which has already had, in my case, a significant price increase in January 2018 even though the wholesale supply price (United Energy) was in fact reduced! A cynic would say that my embedded retailer whacked the price up in case you imposed a cap, hence why this rule should be backdated.
4. Kickbacks or commissions to developers, owners or OCs should have a sunset clause / maximum period, and after that period they should be paid as a rebate on all accounts. Not to the OC or owners, as rental tenants obtain no benefit whereas they are the ones paying them (disguised in higher prices). They should not be transferred to increased profits for the suppliers. They've priced their product with these in place, pricing and profit levels should continue unchanged (subject to item 3) after they end.
5. Time of use (peak, off-peak, shoulder) should be a mandatory option. Again, other customers have the luxury of shopping around to find a plan that best meets their usage patterns. We do not. Many embedded suppliers, including mine, offer a single usage price 24/7. Whilst it is slightly discounted from the Standard Rate, I could save quite a bit by choosing a retailer with a cheap off-peak (weekend and overnight) price. Alas, I cannot.

In short, Victoria has been divided in 2: those who can take advantage of a deregulated, competitive electricity market, and those who cannot. In this era of population growth and higher density living, more and more people are being locked out of the competitive market.

Whilst at first glance some of these issues may appear to be outside the scope of this review, the lack of switchability and choice should mean that they are included as a requirement in the proposed code for embedded networks and exempt retailers. You have correctly identified that some clauses in the Energy Retail Code are not applicable to these retailers and therefore you are excluding those, however the items I have raised are not applicable to be mandated on retailers in an open market, but should definitely be added to your proposed Code.

I look forward to being reacquainted with the benefits of the market which many of my fellow Victorians have had for many years, but which I have been excluded from. Only the ESC has the

power to allow that to occur, the market will never do so as embedded networks by nature are immune to competition.

Thank you for the opportunity to be involved.

Regards

Peter Hatley
Sandringham