

Quick guide on proposed obligations for electricity sellers in embedded networks



Information for caravan parks and retirement villages

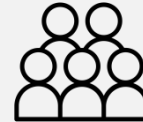
Key facts



The rules are changing for people who sell electricity in embedded networks – including caravan parks and retirement villages.



We have released a draft decision outlining what we propose you will need to do if you sell metered electricity in an embedded network.



This guide provides a summary of the proposed rules. We recommend you check the full details of these obligations by reviewing our draft decision.

The Victorian Government is changing the rules for anyone who sells electricity and is exempt from holding a retail electricity licence. These changes ensure that customers in embedded networks have similar protections to other Victorian energy consumers. As part of these changes we have been asked to identify which protections should be available to the customers of someone selling electricity in an embedded network. This includes many caravan parks and retirement villages.

We have released a draft decision outlining proposed obligations for people who sell electricity but do not need a retail electricity licence, also known as exempt sellers. Wherever possible we have tried to align these obligations with the rules in other states and territories.

The proposed obligations are in addition to the conditions of the government's November 2017 General Exemption Order that require you to be a member of Victoria's energy and water ombudsman for dispute resolution and for some exempt sellers to register with us.

To ensure that customers in embedded networks have protections that meet the government's objectives, these rules will be set out in our energy retail code. The proposed rules broadly require you to do the following:

- make sure you get a customer's consent to an electricity selling arrangement
- provide a separate bill with specific details to each customer
- ensure that information provided to customers is clear
- offer assistance to customers who have difficulty paying bills
- follow rules for disconnecting customers and customers with life support equipment.



We are now seeking feedback on these proposed customer protections. While we have summarised these rules here, you will need to determine what these changes mean for you by reviewing our draft decision and proposed changes to the energy retail code. These are available on our website: <http://www.esc.vic.gov.au/energy-licence-exemptions>.

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

Getting a customer's consent to an electricity selling arrangement

The government has determined that an exempt seller must provide a customer with a range of information prior to getting their agreement to sign up to the arrangement, and before selling electricity to a customer. This includes information about their choice of retailer, tariffs and payment plans, dispute resolution options, and any assistance available. This is referred to as 'explicit informed consent'

We are proposing that you will also need to keep a record of customer consent for at least two years. For more details on these obligations you should refer to section 3.1.1 in our draft decision.

Delivering clear and regular bills to customers

We are proposing that you will need to provide customers with a bill at least every three months that clearly includes:

- the customer's energy usage (including how that has been measured)
- the relevant price
- payment details (including available options).

For more detail on the proposed requirements for bills refer to section 3.1.3 in our draft decision.

Providing information to customers that is easy to understand

Our draft decision specifies the information we propose that you will need to give to customers. All information must be easy to understand. This includes any information you provide when you get customer consent to sell them electricity, in their bills, as well as in the following areas:

- changes to pricing or benefit conditions (e.g. discounts on pricing)
- the end of an electricity selling arrangement
- assistance available for customers who have difficulty paying bills.

We propose that information should be delivered to the customer in writing. If you want to provide information electronically you will need to get permission from the customer to do so. You should get this permission when the customer gives their consent to the electricity selling arrangement.

You should refer to our draft decision for more details about what information you may need to provide to customers.



Assistance for customers who have difficulty paying bills

If a customer tells you know they are having (or predict they will have) difficulty paying bills, you will need to provide assistance that includes:

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

For customers who are in arrears there is also the option of more tailored assistance. Exempt sellers are also prohibited from engaging debt collection services for a customer on a payment plan. For further details on these proposed obligations refer to section 3.1.2 in our draft decision.

Rules for disconnecting customers and customers with life support equipment

Our retail code specifies the circumstances when an exempt seller can and cannot disconnect a customer's supply. As electricity is an essential service, we are proposing that disconnection should only occur as a last resort. Our proposed changes include some specific circumstances when you would be able to disconnect a customer. This could include situations where electricity is being used illegally or where you have attempted to resolve non-payment, but the customer hasn't responded. Further detail of these circumstances and other rules can be found in section 3.1.5 of our draft decision.

We are also proposing that you will need to inform your licensed electricity retailer if one of your customers requires life support equipment. If you are not responsible for the supply of energy in the embedded network at your site, you will also need to inform the embedded network's electricity supplier. For further detail on these obligations see section 3.1.4 of our draft decision.

How can you get involved?

We are interested in your feedback about how we propose to apply the electricity code for embedded networks, including how they compare with your current practices. You may want to note the following dates.

- 5 July 2018: We released our draft decision with proposed obligations.
- 10 August 2018: Submissions and feedback to our draft decision close.
- September 2018: We will release our final decision on applicable obligations.
- 1 January 2019: Proposed obligations will apply to exempt sellers.

Contact us

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

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