ELECTRICITY RETAIL LICENCE

Real Utilities Pty Ltd
(ABN 97 150 290 814)

Issued on 21 October 2020
ELECTRICITY RETAIL LICENCE

This Licence is issued pursuant to section 19 of the Electricity Industry Act 2000 (Vic) and is subject to the terms set out in this Licence.

Date

This Licence is issued on 21 October 2020

Licensee

This Licence is issued to:
Real Utilities Pty Ltd (ABN 97 150 290 814)
Level 2, 1C Homebush Bay Drive
Rhodes, NSW 2138

THE COMMON SEAL of the ESSENTIAL SERVICES COMMISSION was affixed pursuant to the authority of the Commission on 21 October 2020

Kate Symons
Chairperson
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Part A – Interpretation

1. Definitions

1.1 Unless the contrary intention appears, a term has the meaning shown opposite it:

**Act** the *Electricity Industry Act 2000* (Vic)

**administrator** means an administrator appointed by the Commission under section 34 of the Act in respect of the Licensee’s retail business

**AEMO** the Australian Energy Market Operator Limited

**business day** a day other than a Saturday, Sunday or a public holiday in Victoria

**Change of control** occurs in relation to the Licensee if:

(a) an entity that Controls the Licensee ceases to Control the Licensee; or

(b) an entity that does not Control the Licensee starts to Control the Licensee

provided that no change of control will be deemed to have occurred where:

(c) the ultimate holding company that Controls the Licensee remains the same; or

(d) the change of Control results from the acquisition or cancellation of, or dealing in, securities which are traded on a recognised financial market

**child connection point** an agreed supply point between an embedded network and an electrical installation, generating unit or other network connected to that embedded network

**Commission** the Essential Services Commission established under the ESC Act

**Commencement Date** 21 October 2020

**connection point** has the same meaning as in the National Electricity Rules

**Control** in respect of an entity has the same meaning given in section 50AA of the Corporations Act

**Corporations Act** means the *Corporations Act 2001* (Cth)

**customer** a person who may buy electricity from a retailer.

**deemed contract** means a contract for the supply or sale of electricity deemed by the Act to have been entered into or otherwise be in place between a retailer and customer.
distribution licence  a licence to distribute or supply electricity granted under the Act

distribution services  the transportation and delivery of electricity through a distribution system, and in the case of the distribution system of a licensed distributor, any other services which a distributor includes in its network tariff

distribution system  in relation to a distributor, a system of electric lines (generally at nominal voltage levels of 66kV or below) which the distributor uses to distribute or supply electricity

distributor  a person who holds, or is exempt from holding, a distribution licence

Electricity Customer Metering Code  the code of that name certified by the Commission

Electricity Customer Transfer Code  the code of that name certified by the Commission

Electricity Distribution Code  the code of that name certified by the Commission

Electricity System Code  the code of that name certified by the Commission

embedded network  a distribution system that is not part of the national grid, that is connected at a parent connection point to either a distribution system or transmission system that forms part of the national grid

embedded network operator  a person that owns, controls or operates an embedded network and that distributes and supplies electricity within that embedded network

Energy Retail Code  means the code setting out terms and conditions relevant to contracts for the supply or sale of electricity determined by the Commission under the Act

ESC Act  the Essential Services Commission Act 2001 (Vic)

external network charges  charges levied or passed through by the local licensed distributor with respect to the use of a distribution system for the supply of electricity to the parent supply point

final enforcement order  a final order made and served by the Commission under section 53 of the ESC Act
financially responsible retailer in respect of a parent connection point, the retailer who is responsible for settling the account for electricity withdrawn from the parent connection point (however described) under the Retail Market Procedures made pursuant to the National Electricity Law.

guideline a guideline published by the Commission

holding company has the meaning given in the Corporations Act

last resort event in respect of a retailer, means:
(a) the retailer's retail licence is suspended or revoked; or
(b) the right of the retailer to acquire electricity from the wholesale electricity market is suspended or terminated; whichever first occurs

law means:
(a) the common law and equity;
(b) any statute, regulation, by-law, ordinance or subordinate legislation; or
(c) any order, licence, permit, authorisation, accreditation, code, guideline, procedure or similar instrument which is enforceable against the Licensee or which is issued under an instrument referred to in paragraph (b)

Licensee Real Utilities Pty Ltd (ABN 97 150 290 814)

local licensed network service provider the relevant distributor or transmission network service provider that is licensed under the Act for the distribution system or transmission system (as applicable) to which the relevant embedded network is connected

meter has the meaning given in the Act

Minister the person who is, from time to time, the Minister for the purposes of the relevant section of the Act

National Electricity Law The National Electricity (Victoria) Law which applies in Victoria as a result of the operation of section 6 of the National Electricity (Victoria) Act 2005

National Electricity Rules the rules of that name made under the National Electricity Law

national grid has the same meaning as in the National Electricity Rules

NMI has the same meaning as in the Electricity Customer Metering Code
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>objectives</td>
<td>the objectives specified in section 10 of the Act and section 8 of the ESC Act</td>
</tr>
<tr>
<td>order</td>
<td>an Order in Council made or in force under the Act</td>
</tr>
<tr>
<td>parent connection point</td>
<td>a connection point between an embedded network and either a distribution system or transmission system that forms part of the national grid</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>has the meaning given in the Corporations Act</td>
</tr>
<tr>
<td>ultimate holding company</td>
<td>means, in relation to an entity, an entity that:</td>
</tr>
<tr>
<td></td>
<td>(a) is a holding company of the first-mentioned entity; and</td>
</tr>
<tr>
<td></td>
<td>(b) is itself a subsidiary of no entity</td>
</tr>
<tr>
<td>residential customer</td>
<td>has the same meaning as in the Energy Retail Code</td>
</tr>
<tr>
<td>retail business</td>
<td>means the business that a retailer carries on under its retail licence or exemption granted under the Act</td>
</tr>
<tr>
<td>retail licence</td>
<td>a licence, granted under the Act, authorising the holder thereof to sell electricity</td>
</tr>
<tr>
<td>retailer</td>
<td>a person who holds or is exempt from holding a retail licence</td>
</tr>
<tr>
<td>security deposit</td>
<td>has the same meaning as in the Energy Retail Code</td>
</tr>
<tr>
<td>supply point</td>
<td>the point at which electricity supplied to a person last leaves a supply facility owned or operated by a distributor before being supplied to that person</td>
</tr>
<tr>
<td>Term</td>
<td>the period commencing on the Commencement Date and concluding on the date that is the 5th anniversary of the Commencement Date, unless this Licence is revoked earlier in accordance with clause 22</td>
</tr>
<tr>
<td>transmission system</td>
<td>a transmission system within the meaning of the National Electricity Law</td>
</tr>
<tr>
<td>undertaking</td>
<td>an undertaking given by the Licensee under sections 53(5)(a) or 54B of the ESC Act</td>
</tr>
<tr>
<td>use of system agreement</td>
<td>an agreement between a retailer (or other person who has made an application for a retail licence) and a distributor, which is necessary to ensure that electricity is distributed or supplied by means of the distributor’s distribution</td>
</tr>
</tbody>
</table>
system to enable the retailer (or other person) to sell electricity to its customers

**wholesale electricity market** means the market for wholesale trading in electricity operated by AEMO under the National Electricity Rules

**writing** any mode of representing or reproducing words, figures, drawings or symbols in a visible form

1.2 In this Licence, unless the context otherwise requires:

a. headings and footnotes are each for convenience only and do not affect the interpretation of this Licence;

b. words importing the singular include the plural and vice versa;

c. words importing a gender include any gender;

d. an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;

e. a reference to a condition, clause, part, paragraph, schedule or annexure is to a condition, clause, part or paragraph of, or schedule or annexure to, this Licence, and a reference to this Licence includes any condition, clause, part or paragraph of it, or schedule or annexure to it;

f. a reference to any statute including the Act and regulation, proclamation, Order in Council, ordinance, code, guideline, procedure or by-law includes all statutes, regulations, proclamations, Orders in Council, ordinances, codes, guidelines, procedures or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, Orders in Council, ordinances, by-laws and determinations issued under that statute;

g. a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;

h. a reference to a person includes that person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
i. other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;

j. a period of time:
   1. which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
   2. which commences on a given day or the day of an act or event is to be calculated inclusive of that day;

k. an event which is required under this Licence to occur on or by a stipulated day which is not a business day may occur on or by the next business day.

2. Notices

2.1 A notice under this Licence is only effective if it is in writing, and dealt with as follows:
   a. if given by the Licensee to the Commission – addressed to the Chief Executive Officer of the Commission at the address specified below or as otherwise notified by the Commission
      Essential Services Commission, Level 37, 2 Lonsdale Street, Melbourne VIC 3000; or
   b. if given by the Commission to the Licensee – given by the Chief Executive Officer of the Commission and addressed (and marked for attention of) the Chief Executive Officer of the Licensee at the address specified below or as otherwise notified by the Licensee:
      Real Utilities Pty Ltd, Level 2, 1C Homebush Bay Drive, Rhodes, NSW 2138.

2.2 A notice is to be:
   a. signed by or on behalf of the person giving the notice and delivered by hand; or
   b. signed by or on behalf of the person giving the notice and sent by pre-paid post; or
   c. transmitted electronically by or on behalf of the person giving the notice by electronic mail or facsimile transmission.
2.3 A notice is deemed to be effected:
   a. if delivered by hand – upon delivery to the relevant address;
   b. if sent by post – upon delivery to the relevant address;
   c. if transmitted electronically – in accordance with the *Electronic Transactions (Victoria) Act 2000* (Vic).

2.4 A notice received after 5.00 pm, or on a day that is not a business day, is deemed to be effected on the next business day.

**Part B - Licence**

3. **Grant of the Licence**

3.1 In exercise of its powers under section 19 of the Act, the Commission grants the Licensee a Licence to on-sell electricity within an embedded network for the Term, on the terms and conditions set out in this Licence.

3.2 This Licence does not permit the Licensee to
   a. purchase or sell electricity through the wholesale electricity market;
   b. sell electricity outside an embedded network

3.3 This Licence is subject to any prohibition set out in any Order issued and in force under section 23 of the Act.

**Part C - Conditions of the Licence**

4. **Status of the requirements in this Part**

4.1 A failure on the part of the Licensee to meet any of the requirements set out in this Part C:
   a. is a breach of a condition for the purposes of Part 7 of the ESC Act; and
   b. is a breach of a condition for the purposes of clause 22 of this Licence.

4.2 The Licensee acknowledges that any condition deemed by the Act to be included in a licence to sell electricity forms part of this Licence and that a breach of any such condition constitutes a breach of a condition for the purposes of clause 22 of this Licence.
5. Payment of fees

5.1 The Licensee must pay a licence fee as determined by the Minister in accordance with the provisions of section 22 of the Act.

6. Ongoing technical capacity

6.1 The Licensee must at all times maintain:

a. such technical capacity as is:
   (i) required to meet its obligations under this licence; and
   (ii) reasonably required to undertake the activities authorised by this licence; and

b. such additional technical capacity as is reasonably required to enable it to meet and utilise technological advances in the electricity industry.

6.2 In this clause 6, activities undertaken pursuant to this Licence include any activities undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence.

6.3 The Licensee must ensure that all relevant staff or third parties are provided with appropriate training in all Victoria specific obligations including the conditions of this Licence and the Energy Retail Code.

7. Ongoing financial viability

7.1 The Licensee must at all times remain financially viable to undertake the activities permitted under this Licence.

8. Compliance with regulatory instruments

8.1 Subject to clause 8.2, the Licensee must comply with:

a. the Electricity Distribution Code;

b. the Electricity Customer Metering Code;

c. the Electricity Customer Transfer Code;

d. the Electricity System Code;

e. the Energy Retail Code;
f. the Compliance and Reporting Guideline; and

g. any other code, procedure or guideline issued by the Commission from
time to time that is expressed as being one with which the Licensee must
comply;

to the extent they are applicable to activities undertaken by the Licensee pursuant
to this Licence, including as set out or modified in the annexure.

8.2 The Commission may, from time to time, by written notice grant an exemption in
relation to or otherwise modify the application of some of the requirements of
the instruments referred to in clause 8.1.

8.3 The Licensee must have in place a system for monitoring its compliance with
this Licence and the instruments referred to in clause 8.1.

8.4 The Licensee must comply with the requirements of the Electricity Safety Act
1998 and any regulations made under that Act.

8.5 The Licensee must notify the Commission of any breach by it of the conditions
of this Licence, including any of the instruments referred to in clause 8.1, as
soon as reasonably practicable after it becomes aware of the breach.

9. Electricity purchase arrangements

9.1 The Licensee must have in place agreements or arrangements for the purchase
of electricity from a retailer who is the financially responsible retailer at the
relevant parent connection point of the embedded network and any necessary
authorisations as are required to enable the Licensee to perform its obligations
under any contracts for the sale of electricity to which it is a party.

10. Embedded network retail licence conditions

10.1 The Licensee must comply with the requirements set out in the annexure –
Embedded network retail licence conditions.
11. Provision of distribution services

11.1 The Licensee must not enter into a contract for the sale of electricity with a customer unless the contract also provides for the provision of, or procurement by the Licensee of, related distribution services within both:

a. the network of the licensed distributor within whose distribution licence area the customer is located; and
b. the embedded network to which the customer is connected, or from which the customer is otherwise supplied electricity.

12. Contracts with customers

12.1 The Licensee must comply with the terms and conditions of any contract for the sale of electricity with a customer.

13. Information to customers

13.1 The Licensee must include at least the following information in a bill issued to the customer for the supply or sale of electricity:

a. the National Meter Identifier (NMI) assigned to the customer’s metering installation and the NMI checksum or, if there is no assigned NMI, the meter number or another unique identifying mark assigned to the metering installation;
b. the relevant tariff or tariffs applicable to the customer; and
c. any information required by the Act, the ESC Act, or any Commission code or guideline.

13.2 If a variation is made to the tariff or to terms or conditions of a customer’s contract, unless notice of the variation has been previously provided to a customer, the Licensee must provide such notice to the customer in the form of a statement setting out details of the variation as soon as practicable and in any event no later than the customer’s next bill.

13.3 The Licensee must give notice to a customer who is a party to a deemed contract with the Licensee on, or as soon as practicable after, becoming aware of the deemed contract. This notice must:
a. inform the customer that there is deemed to be a contract between the customer and the Licensee for the sale of electricity;

b. set out the tariff and summarise other terms and conditions under the deemed contract;

c. describe the methods by which the deemed contract may be terminated and related terms and conditions; and

d. outline the options available to the customer.

13.4 Where the Act or this licence requires or has required the Licensee to publish the Licensee's tariffs in the Government Gazette, the Licensee must also publish on the same day in a newspaper circulating generally in Victoria:

a. the tariffs; and

b. a statement that the Licensee's related terms and conditions are available on request and free of charge in English and, if the Licensee has a significant number of customers from the same non-English speaking background, in those other languages. Such terms and conditions must actually be available in those other languages.

13.5 If the contract between a customer and a retailer is a fixed term contract, prior to the expiry of the fixed term the retailer must notify the customer:

a. that the contract is due to expire;

b. when the expiry will occur;

c. the tariff and terms and conditions that will apply to the customer beyond the expiry of the contract if the customer does not exercise any other option, which the retailer may determine at its discretion; and

d. what other options are available to the customer.

The information must be given no sooner than 60 days before, and no later than 30 days before, the expiration of the fixed term (unless the fixed term is less than one month in which case the information must be given to the customer at the commencement of the term).

14. **Separate accounts**

14.1 If the Licensee holds more than one category of licence under Part 2 of the Act, the Licensee must prepare separate accounts for each part of its business in respect of which it has been granted a separate licence.
15. **Payment methods**

15.1 The Licensee must not implement a pre-payment meter scheme without the prior approval of the Commission.

15.2 The Licensee must notify the Commission at least 20 business days prior to the termination of an arrangement with any agency or payment outlet through which customers of the Licensee may pay bills.

16. **Community service obligation agreements**

16.1 If so directed by the Secretary to the Department of Human Services, the Licensee must enter into an agreement with the State for the provision of community services on terms and conditions determined or agreed in accordance with section 47 of the Act.

17. **Retailer of last resort**

17.1 The Licensee must notify the Commission as soon as practicable, and no later than within one business day of becoming aware, of a last resort event with respect to the retailer responsible for the supply of electricity at the parent connection point.

17.2 The Licensee must notify the Commission as soon as practicable, and no later than within one business day of becoming aware, of any circumstance which may threaten future continuation of supply of electricity to its customers, including but not limited to, the Licensee entering into administration.

18. **Provision of information to regulatory bodies**

18.1 The Licensee must maintain comprehensive records regarding any activities undertaken pursuant to this Licence for a period of at least 7 years.

18.2 The Licensee must inform the Commission of any breach by it of the conditions of this licence, including any non-compliance with the instruments referred to in clause 8.1, as soon as reasonably practicable after becoming aware of the breach.
18.3 The Licensee must, as soon as reasonably practicable, provide AEMO with such information relating to any activities undertaken pursuant to this Licence as AEMO may properly request in connection with the performance of its functions or the exercise of its powers under the National Electricity Law in the manner and form specified by AEMO.

18.4 The Licensee must, as soon as reasonably practicable, provide the Commission with such information relating to any activities undertaken pursuant to this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act in the manner and form specified by the Commission.

18.5 The Licensee must, as soon as reasonably practicable, provide the Commission with information on its ongoing technical capacity or financial viability to undertake the activities authorised by this Licence as the Commission may properly request in connection to the performance of its functions or the exercise of its powers under the Act, and in a manner and form specified by the Commission.

18.6 In this clause 18:

a. activities undertaken pursuant to this Licence include any activities undertaken by a third party engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence; and

b. information includes information in the possession, custody or control of any third party.

18.7 Change of control

a. The Licensee must give the Commission a notice if any event occurs, any decision by the Licensee is made, or any other circumstance exists, that will effect a change of control of the Licensee.

b. The notice required under clause 18.7(a) must set out particulars of the relevant event, decision or circumstance and be provided as soon as practicable and, in any case, not later than 3 Business Days after the Licensee becomes aware of the event or circumstances or makes the decision.
19. Audit

19.1 Upon request by the Commission, the Licensee must appoint an auditor to be approved by the Commission to conduct audits of:

a. the Licensee’s compliance with its obligations under the Act or this Licence, including but not limited to the codes and guidelines referred to in clause 8.1; and

b. the reliability and quality of information reported by the Licensee to the Commission and the consistency of that information with the Commission's specifications; and

c. any other matter as directed by the Commission.

19.2 The Licensee must ensure that the Commission is promptly provided with a copy of any reports produced by the auditor pursuant to this clause. The Licensee must comply, and must require the auditor to comply, with any guidelines issued by the Commission dealing with audits under this clause.

20. Dispute resolution

20.1 The Licensee must enter into a customer dispute resolution scheme approved by the Commission under section 28 of the Act.

21. Compliance with laws

21.1 The Licensee must comply with all applicable laws.

21.2 The Licensee must ensure that any contract entered into with any third parties contains such provisions as are necessary to enable the Licensee to comply with the requirements of this Licence.

22. Revocation of the Licence

22.1 The Commission may revoke this Licence:

a. at any time at the request of or with the consent of the Licensee; or

b. in accordance with the Act.
Where consistent with its objectives under the Act and the ESC Act, the Commission may revoke this Licence if:

a. the Licensee fails to comply with an undertaking or a final enforcement order; or

b. the Licensee breaches any condition of this Licence, including any condition deemed to apply by the Act or any other applicable legislation; or

c. any information provided by the Licensee pursuant to this Licence or in its application for the Licence is found to be materially false or misleading; or

d. the Licensee’s financial viability or technical capacity is such that the Commission considers that the Licensee would be unable to satisfactorily meet its obligations under this Licence; or

e. the Licensee fails to comply with a decision, direction, determination or arrangement (including any arrangement concerning load shedding) (as the case may be) made by or agreed with the Commission, AEMO or the Minister; or

f. following any one of the following events:

i. a petition or other application being presented or resolution being passed for the winding up, liquidation or dissolution of the Licensee or notice of intention to propose such a resolution being given or the entry of the Licensee into a scheme of arrangement or compromise or deed of company arrangement with any of its creditors; or

ii. the appointment of an administrator, a receiver or receiver and manager or official manager or agent of a secured creditor to any of the Licensee’s property; or

iii. the Licensee ceasing to carry on business or stopping or wrongfully suspending payment to any of its creditors or stating its intention to do so.

and the Commission determines that the event, or actions arising from the event, would, or would be likely to, result in the inability of the Licensee to meet its obligations under this licence.

Where the Commission decides to revoke this Licence, the Commission will issue a notice to the Licensee, specifying:
a. the basis upon which the Commission is revoking this Licence; and

b. the date upon which the revocation will take effect, such date to be:
   
i. in the case of a breach of clause 9, or where clause 22.2 applies, or where in the Commission’s opinion it is appropriate that the Licence be revoked in a shorter time frame having regard to its objectives and the events or circumstances that gave rise to the notice being issued, no less than 5 business days after the date upon which the notice is issued; and

ii. in all other cases, no less than 20 business days after the date upon which the notice is issued,

and, subject to clause 22.4, this Licence will be revoked on the date specified in the notice.

22.4 The Commission may, at its discretion and by written notice to the Licensee, withdraw a notice issued under clause 22.3 at any time prior to the revocation date specified in the notice if the Commission is satisfied that the Licensee has complied with the relevant final enforcement order or undertaking, rectified the breach or complied with the relevant decision, direction, determination or arrangement (as the case may be) or if the Commission considers that it is otherwise appropriate to withdraw the notice.

23. Variation

23.1 For the purposes of section 29(1)(a) of the Act, the Commission may vary this Licence in accordance with the procedures set out in this clause 23.

23.2 Where the Commission:

a. wishes to amend the list of instruments referred to in clause 8.1; or

b. is of the opinion that a proposed variation to the Licence is consistent with its objectives and is
   
i. of an administrative or trivial nature; or

ii. required urgently, such that it would not be appropriate to issue a notice under section 29(1)(c) of the Act,

the Commission may issue a notice to the Licensee varying this licence accordingly without providing the Licensee with an opportunity to make representations in relation to the variation
23.3 A notice issued under clause 23.2 will include:

a. the terms of the variation;

b. the purpose of the variation;

c. where clause 23.2(b) applies, confirmation that the Commission is of that opinion; and

d. the date upon which the variation will take effect.

24. Transfer

This licence may be transferred in accordance with section 31 of the Act.

25. Administrator

If an administrator is appointed to the Licensee's business under section 34 of the Act, the administrator must exercise its functions and powers in such a manner as may be specified by the Commission in the instrument of appointment.

Schedule 1 – Variations to the Licence

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<thead>
<tr>
<th>Date</th>
<th>Variation</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>This licence has not been varied</td>
</tr>
</tbody>
</table>
Annexure – Embedded network retail licence conditions

1. Compliance with laws and regulatory instruments

1.1 Without limiting the application of clauses 8 and 21 of this Licence, where all or part of a law is restricted in its application to:

a. a retailer that is a financially responsible retailer; or

b. a customer that is supplied electricity from a connection point at which the electricity last leaves a supply facility owned or operated by a licensed distributor,

yet is capable of being applied with modification to the Licensee in the context of on-selling electricity within an embedded network, the Licensee must comply with such law with only those modifications required to enable compliance in the context of on-selling electricity within an embedded network.

For example, and without limitation, sections 35, 36, 39, 40B, 46C and 46D of the Act and any associated Orders made under those sections apply in respect of the Licensee, and the Licensee must comply with those sections and associated Orders as if an embedded network customer was a 'relevant customer' or a 'prescribed customer', and the Licensee was a 'relevant licensee' for the purposes of those sections and associated Orders.

2. Use of system agreement

2.1 The Licensee must have a use of system agreement with an embedded network operator, that is the holder of a distribution licence or is exempt from this requirement, for each embedded network on which the supply point of any customer of the Licensee is located.

2.2 Each use of system agreement with an embedded network operator must:

a. be in writing;

b. require the embedded network operator to hold a distribution licence, or be exempt from this requirement;

c. authorise the Licensee to sell electricity to any customer connected to the embedded network operator’s embedded network;
d. not unreasonably discriminate, or have the effect of creating unreasonable discrimination, between retailers or customers of any retailer; and

e. provide that the embedded network operator will give access to the embedded network to any other retailer in a way that does not unreasonably discriminate, or have the effect of creating unreasonable discrimination, between customers of the Licensee and any other retailer.

f. provide that it is a material breach of the agreement if any person related to the Licensee, by act or omission, unreasonably discriminates or engages in conduct that has the effect of unreasonably discriminating, between customers of the Licensee and any other retailer; and

g. require the embedded network operator to make arrangements for the continued supply of electricity to the Licensee's customer's within the embedded network if the Licensee cannot continue to supply for reasons including, but not limited to, the Licensee entering into administration or revocation of this Licence.

3. **Energy Retail Code modifications**

3.1 Notwithstanding clause of this Licence, the Licensee:

a. must comply with clause 32B of the Energy Retail Code as if it was an exempt person to which that clause applies;

b. must not require a residential customer to provide a security deposit;

c. must comply with clause 53(1) of the Energy Retail Code as if the reference to the 'financially responsible retailer for the premises concerned' was a reference to the Licensee;

d. must comply with clause 125, clause 127 and clause 128 of the Energy Retail Code as if that clause was amended as follows:

   i. a reference in clause 125(1)(a), 125(1)(c), 125(1)(d) and 125(1)(e) to 'the latter of' is a reference to the 'earlier of';
   
   ii. the reference in clause 125(1)(c)(iii), clause 125(1)(c)(vi), clause 125(1)(d), clause 125(1)(e) and clause 125(2) to a 'distributor' is deemed to be a reference to both the local licensed network service provider and the embedded network operator;
iii. any reference to the ‘distributor’ in clause 127(1), clause 127(2)(a) and clause 128(2)(a) is deemed to be a reference to both the local licensed network service provider and the embedded network operator; and

e. must comply with clause 19(2) of the Energy Retail Code as if references to ‘distributor’ were references to the ‘embedded network operator’.

4. Contestability

4.1 The Licensee must not engage in any conduct that prevents a customer connected to an embedded network served by the Licensee from purchasing electricity from a licensed retailer of the customer’s choice.

5. Embedded network charges

5.1 Unless expressly permitted by law, the Licensee must ensure that no charge, fee or levy is payable by a customer of the Licensee with respect to the customer’s access to the embedded network on which its supply point is located, or for the distribution or supply of electricity by the embedded network operator.

6. External network charges

6.1 The Licensee must ensure that any external network charges:

a. clearly attributable to a specific customer of the Licensee are passed through at cost to that customer;

b. not clearly attributable to a specific customer of the Licensee are charged to the customer on the basis that they are no greater than the published regulated charge which the local licensed network service provider would have charged that customer, had the customer been supplied directly by the local licensed network service provider; and

c. are included in a single invoice for both retail electricity and external network charges, with the amount of external network charges separately identified.

7. Metering

7.1 The Licensee must, in respect of each child connection point (other than a child connection point for which another retailer is the financially responsible retailer),
ensure that meters are installed and maintained which comply in all respects with Chapter 7 of the National Electricity Rules, as if the Licensee was a financially responsible market retailer in respect of that child connection point.

7.2 The Licensee must publish an NMI for each of its customers’ premises on Market Settlement and Transfer Solutions (MSATS) within 30 business days of:

a. meter installation and commissioning; or

b. the Licensee commencing the on-selling of electricity to the customer;

whichever occurs first.