

12 December 2025

Essential Services Commission  
Level 8, 570 Bourke Street  
Melbourne VIC 3000

## **Submission - 2026–27 Victorian Default Offer: Request for Comment Paper**

Network Energy Services (NES) is responding to the request for comment on the Victorian Default Offer Review 2026–27.

### **About Network Energy Services (NES)**

NES is a leading Embedded Network Manager (ENM) and utility services billing service provider for retirement villages (NR3/R3) and over 50's land lease residential communities (NR4/R4), with more than 20,000 elderly consumers across Australia.

NES is a service provider who assists Residents Associations and community operators with the operation of their embedded networks to ensure compliance to relevant embedded network, billing, and consumer regulations.

Importantly, the on-selling of energy is incidental to the core business of retirement villages and over 50s land lease communities (including caravan parks). Our clients maintain all control in relation to price setting and discounts to their residents as the owner and operator of their embedded network infrastructure.

### **Feedback and considerations surrounding the request for comment paper**

NES would like to provide some specific feedback in relation to the 2026-27 VDO for the Essential Services Commission (ESC) to consider in relation to electricity embedded networks, and specifically those operating as retirement villages (NR3/VR3) and land lease communities (NR4/VR4).

Embedded Network in the following classes should be exempted from the potential requirement to provide *three hours of free power*. There are two key reasons;

1. Many retirement villages, land lease communities, and caravan parks have accumulation electricity meters which are unable to separately measure electricity in any specific time period. This can only be achieved with smart meters that facilitate interval data.
2. Since homes within these embedded networks are supplied downstream of a (bulk) parent meter, then unless there are credits being provided to the operator on their commercial parent meter account, then there should not be an expectation that any embedded network operator should independently fund any *free electricity* period.

To explain further:

- There is currently no reference or consideration provided to embedded networks in the paper; especially those with NR2/VR2, NR3/VR3 and NR4/VR4 exemptions supplying and on-selling electricity to residential customers.
- Embedded network customers receive discounts compared to the VDO in their respective distribution areas already.
- The Victorian Government has conditioned embedded network customers to compare their prices with those offered by retailers on the Victorian Energy Compare website in order to access the rebates made available to them.

- Embedded network operators procure their electricity via a retailer as a *business customer* on a relevant *business tariff*.
- The vast majority of retirement villages and land lease communities (including caravan parks) have manually read accumulation meters installed with very few featuring smart meters where interval data may be available.
- The majority of retirement villages and land lease communities (including caravan parks) currently provide customers with a flat rate tariff as it is simple, easy to understand, and largely due to the metering infrastructure installed.
- The proposed *solar soak* periods and tariffs also pose the same challenges in most existing retirement villages and land lease communities (including caravan parks) due to the metering infrastructure installed.
- Many smaller embedded network operators and providers (i.e. caravan parks) do not have the capability of accessing, handling and interpreting NEM12 data to measure *three hours of free power* in between specified times during any given day.
- Embedded Network Operators should not be required to incur the cost to provide *three hours of free power* to their customers.
- Many embedded networks are increasingly being configured to include solar and battery solutions, with some creating their own microgrids. These solutions endeavour to help optimise their infrastructure and reduce their operational costs, usually for the benefit of their customers.
- We recognise the challenges faced by distribution networks in managing the flood of solar exported back into the grid as a result of the stratospheric rise of government subsidised solar installations within their networks.

In summary, it highly impactable for many existing embedded network operators to be in a position to offer their customers *three hours of free electricity* due to the nature of the metering within their embedded network.

As such, careful consideration is required when considering the 2026-27 VDO prices as embedded network customers and operator should be no worse off.

We welcome any queries relating to this submission and look forward to seeing what comes about following the review of feedback that the ESC receives.

Yours sincerely,

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General Manager  
Network Energy Services