

Maximum electricity prices for embedded networks and other exempt sellers

Submission received via Engage Victoria on our consultation paper on maximum prices for embedded networks and other exempt sellers

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'Do you have any comments on the commission's consultation paper?'

Yes, I'll like to question what are customers in embedded networks actually being charged for and what is the retailer actually cost recovering? I understand in the standard market, the tariffs charged are directly correlated to the provision of electricity services. However, in an embedded network, there seems to be instances of embedded network retailers cost recovering from the customers the costs of the equipment within the embedded network on top of the standard costs of provision of electricity services. I question this as the details are not clear and often hidden in the deed for the building usually signed off by the developer before the Owners Corporation is officially active and voted in. This is unfair for those who cannot obtain a copy of the deed (where the embedded network retailer has provided the equipment free of charge to the developer in return for time-limited exclusive ownership, operation and maintenance of the assets) and are unaware of these costs. I would also like to question the argument of "bulk buying means cheaper prices for embedded network customers" - if this is the case, why are some prices higher than the VDO? Similarly, I am relatively certain that even if you add cost recovery for embedded network equipment, it still does not warrant excessively high prices (only capped at the "frozen" rate for the time being). I would also like to raise that there are certain licensed retailers who own, operate, maintain and sell electricity within embedded networks. However, I have had difficulty unconditionally obtaining the VDO aligned standing tariffs from them even though this a requirement of their licence (and required under GiC Ministerial Orders/Victorian regulatory framework). There seems to be no repercussions for them in breaking their licenced obligations. Furthermore, there seems to be lack of clarity whether retailers needs to follow what is written in the clauses of the deed providing for the embedded network within the building. In my case, the retailer has also blatantly ignored the requirements stated within the clauses to offer competitive rates that are to be a certain amount under the standing tariffs of the area (presumably VDO given the two were aligned post July 2019).

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