

24 June 2022

Mr Ray Williams MP
Committee Chair
Parliament of New South Wales

Submitted via online portal

Legislative Assembly Committee on Law and Safety – Inquiry re embedded networks in New South Wales

Dear Mr Williams

Energy Networks Australia (**ENA**) welcomes the opportunity to provide a submission to the Legislative Assembly Committee (the **Committee**) on Law and Safety's Inquiry into embedded networks in New South Wales (the **Inquiry**).

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

Embedded networks play a complimentary role to distribution networks and can provide benefits to consumers. This Inquiry is timely, however, given the significant uptake of embedded networks in recent years and concerns in relation to poor consumer experiences.

As referenced in the Inquiry's terms of reference, the Australian Energy Market Commission (**AEMC**) undertook a 2019 review into embedded networks¹ as part of its consumer action plan to give consumers more choices about energy products and service, more control over energy bills and stronger protections.

The AEMC recommended a number of changes to the national frameworks, including²:

- » improved consumer protections in areas such as disconnections, billing information, payment options and notification of planned outages, and new protections such as access to customer hardship programs and a retailer of last resort scheme,
- » improved industry financial and data transfer processes to help more retailers compete in embedded networks, giving customers more choice and access to competitively priced market offers, and
- » giving embedded network customers the same rights as grid-connected customers when upgrading their connections, for example when installing electric vehicle charging stations within apartment blocks.

¹ AEMC, Updating the regulatory frameworks for embedded networks, Final report, 20 June 2019.

² AEMC, Updating the regulatory frameworks for embedded networks, Information sheet, 20 June 2019, page 1-2.

Proposed drafting amendments to the national regulatory framework were published to accompany the AEMC's final report, however, as we understand it, the AEMC's recommendations for greater alignment of embedded network customer protections with those applying to distribution-connected customers are on hold at this stage.

ENA therefore strongly supports the Inquiry considering further the AEMC's recommendations, with the expected costs and benefits of potential reform options assessed by the Committee to ensure that there is sufficient clarity in the regulatory treatment of embedded networks, and appropriate protections for embedded network customers in New South Wales.

If you wish to discuss any of the matters raised in this letter further, please contact Lucy Moon, Head of Regulation, on lmooon@energynetworks.com.au.

Yours sincerely,



Garth Crawford
General Manager, Economic Regulation