

REGULATING THE SALE AND SUPPLY OF ELECTRICITY IN EMBEDDED NETWORKS

MEA RESPONSE – APRIL 2024

Master Electricians Australia (MEA) is the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. You can visit our website at www.masterelectricians.com.au

As the representative voice of the collective interests of our members, MEA are strong advocates for consumer energy resources (CER) and the vital role the private electrical industry has in installing and maintaining the CER sector.

In response to the Australian Energy Market Commission's (AEMC) first round of 'Unlocking CER Benefits' consultation, MEA stated that -

"If used fairly, embedded networks are perfect for allowing for greater uptake of CER infrastructure and price reductions, for those who would otherwise not have the bargaining and buying power to invest in CER. ... some of the greatest efficiencies in CER could be realised by using the infrastructure provided by embedded networks."¹

While regulation of the sale and supply in embedded networks is beyond the scope of MEA's expertise, we strongly advocate for Government's decision to prioritise optimising CER in complexes utilising embedded networks.

Throughout our submissions, we consistently highlight the vulnerability of residents in high-rise apartment complexes regarding CER, as they are reliant on body corporate decisions for the installation of CER technology. This reliance underscores the importance of ensuring that any regulatory decisions regarding the sale and supply in embedded networks prioritise equitable access to the benefits of CER. By advocating for policies that support the adoption of CER technologies in these settings, we aim to empower residents and enhance their energy independence while addressing broader goals of energy efficiency and sustainability. It is imperative that regulatory frameworks prioritise the needs of vulnerable groups such as high-rise apartment dwellers, ensuring they can fully participate in and benefit from the transition to a more sustainable energy future.

Additionally, education and informed decision making is key to altering consumer behaviour. Where embedded network users are voicing concerns that –

"[They] are given very little information on [their] bills and have to assume that [they] get no benefit from the solar panels on [their] roof. Because [they] get so little information [they] have no idea if [they] are being charged a fair amount"

and –

"[They] have no negotiation ability ... [they] cannot benefit from solar panels etc".

we cannot expect to see enthusiastic and even adoption of CER. Consumers need to be able to tangibly see the benefits from CER. An embedded network system that obscures these benefits could hinder progress. Transparency is key to empowering consumers and driving the transition to renewable energy.

MEAs position is that those people who are in embedded networks need to have comparative information provided to them by the operator of the embedded network showing the rate of the default tariff and an aggregated market comparison of other typical embedded rates for a similar sized complex.

¹ Chriss Lehmann & Georgia Holmes "Unlocking the benefits of CER through flexible trading" *Master Electricians Australia* (6 September 2023) <https://masterelectricians.com.au/wp-content/uploads/AEMC-Consultation-Unlocking-CER-benefits-060923_0.pdf>