

Media Release

The Hon Lily D'Ambrosio MP

Minister for Energy, the Environment and Climate Change
Minister for Solar Homes



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ROADMAP TO BANNING NEW RESIDENTIAL EMBEDDED NETWORKS

An expert panel has recommended banning embedded electricity networks in new apartment buildings and reforming existing networks to ensure all Victorians have access to the same competitive retail offers and consumer protections.

The Embedded Networks Review was established as part of the Andrews Labor Government's election commitment to improve consumer outcomes in the energy market.

The panel leading the review – comprised of energy market and consumer advocacy experts – released its final report today after hearing from hundreds of frustrated Victorians feeling 'trapped' in embedded networks.

Embedded networks are private electricity networks that serve multiple customer premises in a building or self-contained site. They are commonly used to supply power to consumers in developments such as apartment blocks, retirement villages, social housing, and caravan parks.

The panel recommended reforms for new and existing embedded network customers in apartment buildings, supporting the Government's proposal to ban new networks from 1 January 2023 with exemptions if operators can show that 50 per cent or more of a site's electricity consumption is met by on-site low-cost renewable energy.

The reforms will also mean the more than 140,000 Victorians living in residential embedded networks will have access to the same competitive retail offers and consumer protections as other Victorian consumers.

The promise to ban embedded networks is the latest in a series of energy market reforms already delivered by the Labor Government, including the Victorian Default Offer, a ban on door-to-door sales and cold calling, and increased penalties for retailers who engage in dodgy behaviour.

These measures have increased fairness, reduced market complexity and contributed to a fall in power bills.

The Government will consider the panel's final report and respond to its recommendations by mid-2022. For more information visit engage.vic.gov.au/embedded-networks-review.

Quotes attributable to Minister for Energy, Environment and Climate Change Lily D'Ambrosio

"We want to ensure that Victorians living in new and existing residential embedded networks can get access to the same competitive retail offers and consumer protections that other people have. That's why we promised to act to ban these networks in new apartment blocks, which too often lock in high costs."

"We've already delivered energy market reforms including the Victorian Default Offer, a ban on door-to-door sales and cold calling, and increased penalties for retailers who engage in dodgy behaviour. A ban on new embedded networks would further ensure fairness for every Victorian."

"I want to thank the panel for their work and their report, which we will respond to later this year."