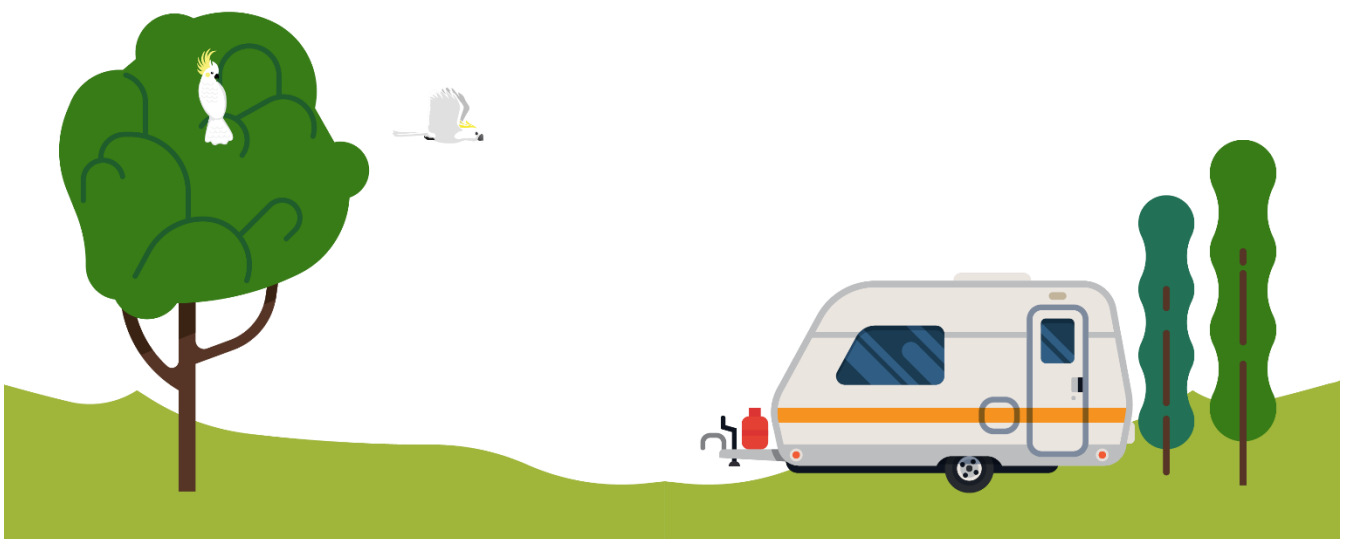


Submission to ...

IPART EMBEDDED NETWORKS DRAFT REPORT



22nd January 2024

TO WHOM IT MAY CONCERN

Thank-you for continuing to engage with stakeholders on this important step for embedded networks in NSW. For Residential Parks and Manufactured Home Estates it is a step back to how it was, and to have that certainty in setting prices is most welcome.

We have answered Questions 1 to 3, and do not consider we are best placed to answer questions 4 and 5, except to again reiterate our position that operators cannot be allowed to charge for something that they are not measuring.

The reasoning for not using the DMO as a price setting tool are understandable, and we thank you for clearly setting these out. We are concerned that there seems to be a desire for businesses and operators to cover the costs of the infrastructure upgrades, and that the incentive to do these upgrades is taken away with discounting of supply charges. The AER's idea that network development costs are already been met in the initial establishment is not totally correct, as both Tenants Union NSW and PIAC seem to indicate in their initial submissions that they would like upgrades made.

IPART's Draft Recommendation 14 that information for pricing should be published on an operator's website is unviable for some businesses. In our situation, our website is targeted at getting visitors to our region, not to advertise for future tenants.

We welcome any questions you may have about our submission on [REDACTED]
[REDACTED]

Yours sincerely,

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

SEEKING COMMENT

Q1. Are embedded network sellers currently using time-of-use tariffs, demand tariffs, or any other innovative tariff designs?

We, as a mixed use park (and we suspect that many caravan parks would be in the same situation), have just one meter per site that does not give time of use tariffs. This meter is read weekly, and all power usage is invoiced weekly.

One innovation we have used is to offset power usage for all park users with solar generation.

Q2. How are embedded network sellers charging for electric vehicle charging at the site? What are the prices?

We do not currently have an electric vehicle charging system on site, but if we were to have one, there would be a charge for the usage. Further, it is our understanding from conversations with EV owners that they expect to pay for any charging to their vehicles.

Q3. Would a complaints-based compliance system deliver the right level of consumer protection?

Referring to Recommendation 12 and the reference to EWON referring complaints. We are concerned that EWON seems to take a more consumer friendly approach to complaints, and charges for the investigation of complaints. Happily, we have not had a complaint to date, but we have heard of parks being charged up to \$1000 for an investigation, and in some cases EWON has found the park has done nothing wrong. It would be good to have a firm commitment that EWON cannot be charging investigation fees if they were to refer any complaints to IPART. Further, we would appreciate IPART supplying any information supplied by EWON in relation to complaints (redacted if necessary) so that all Embedded Network Operators can implement any lessons learnt.

Referring to Recommendation 13 and the reference to IPART investigating compliance to the pricing set. We believe that a far quicker method for IPART and one that would not be too time and cost prohibitive, would be to ask all Embedded Network Operators to send one utilities bill or invoice to IPART within 30 days of the change of price to a dedicated email address. IPART could then follow up with those who haven't sent a bill and invoice in.

COMMENTS ON RECOMMENTIONS

Draft Finding 1 & Recommendations 1 & 2: Prices: Your reasonings behind not using the DMO for a pricing are sound, and we thank-you for setting these out clearly. We are also pleased that IPART have taken on board our suggestion to use a median price for the setting of the prices. It would be good if IPART would send out their calculations via email to all those who are registered with the AER at the same time that they are published on the IPART website.

We want to draw your attention to this line in the draft document:

This does not include the costs of installing and maintaining the internal embedded network infrastructure. This ensures that embedded network customers are not worse off than on-market customers, who do not pay for internal infrastructure costs through their energy prices.

We believe that this statement is in error, because a home owner will be required to pay for the cost of repairs to internal infrastructure from their own pocket. To require Embedded Network Operators to recoup these costs via other costing mechanisms, such as strata fees, is contrary to what IPART are trying to achieve in lowering costs for embedded network customers.

The Supply Charges must include a small amount toward the ongoing maintenance of the system. The AER Guideline states that they consider that "...the network development costs have been met in the initial establishment of the facility..." and yet submissions to this report from Tenants Union NSW, PIAC and others, would like further investment in the infrastructure by operators. At some point, someone must cover those costs. To ask the operator to cover those costs is unsustainable and not something that will ensure the ongoing viability of the business or operation.

Recommendation 14: Publishing Prices on Website: This is a very poor idea, and one that many businesses will not be able to implement. Our website, as well as those of many caravan parks, are designed for attracting short term holiday makers to the park, and there is no information for long-term residents or even those looking at long term rentals.

We believe that a far better solution would be for IPART to note the prices on their website as "Maximum Chargeable Prices". This would mean that the prices would all be in the one place, and IPART can add other information as they see fit.

Recommendation 20: Imposing Disclosure Requirements: We would be amenable to having some kind of disclosure in agreements, such as Disclosure Statements and Tenancy Agreements, but we are not in agreement that any such information will go on websites for the reasoning above.

OTHER COMMENTS

Discounts on Service Availability Charges (Page 46): Whilst we agree with the sentiment that any customer that has access to less than 30 amps should receive a discount, we completely disagree with those receiving more than 30 amps being given a discount.

In our experience, the only resident that needed more than the 32 Amps we supply, was trying to run three heaters, heat hot water using an electric system, and cooking using her oven all in a small unit. It was bound to blow the fuses. All our other residents, in more than 40 years of having onsite residents, have had no issue with “using basic appliances such as toasters and kettles at the same time” (DCS Statutory Review). We suggest that IPART talk to a qualified electrician for their advice in this matter and determine what appliances can be adequately operated simultaneously at a given time in the day without system failures.

Furthermore, these discounts do not, as the Tenants Union NSW suggest, incentivise network operators to upgrade their infrastructure. In 2011 we doubled our power systems from 200 amps per phase over three phases to 400 amps per phase over three phases at a cost of about \$250,000. That same project today would be more than double that. If there is to be an incentive to invest in better infrastructure, then we would consider that the following discounts would be better received by operators:

- 30% discount to the daily supply charge for residents with 20 amps or more but less than 30 amps
- 45% discount to the daily supply charge for residents with less than 20 amps.

Many residents in parks and manufactured home estates are aware that the Reckless method provides lower cost utilities. To offer them a discount via a supply charge is to, again, tip the balance of lower costs towards embedded network customers, and not balance up the costs to like that which on-market customers pay.