

Press Release

27-07-2018

ENSA Responds to ABC News Article “Residents in apartment buildings slugged thousands to change power companies”

Recent reports from ABC have been quite alarming for the Embedded Network (EN) service providers about certain end users experiences with EN.

As an EN service provider we have investigated how this experience could have eventuated and what are the causes?

In December 2017 the Australian Energy Market Commission (AEMC) put in place an Embedded Network Manager to ensure a consumer has retail energy “Power of Choice.” In a sentence; The Embedded Network Manager is there to ensure embedded network customers can access the retail power market.

EN companies exist to lower the end users total power costs in relation to their consumption (but are not always limited to power). With bulk purchasing power, EN suppliers can purchase wholesale power and attempt to provide below average retail power pricing across their EN’s.

Like any industry in a fluctuating market, the prices of power move every 30 minutes, so at the point of comparing a contract to the available ‘by the minute’ contracts is not a relative comparison. Comparisons need to be made across a 12 to 24 month period where the real benefits of going with an certain rate (peak and off peak) exist.

The disturbing part of recent reports imply that customers are being wrongfully locked into embedded networks without practical options to exercise their power of choice, i.e. shop around the available market for cheaper power.

Under Federal Regulation Rules, it is illegal to deny people that choice and the right to change. In-fact, in our business we charge no exit fees and customers are free to exercise their right to pursue another retail option. The regulation is very clear that this must be made available to all parties on an EN though the ‘Power of Choice.’

We vehemently support the philosophy of choice and as a business have practices in place to install industry compliant meters on our networks so that customers can choose any other another energy retailer.

Regulation also states that an Energy Retailer does not have to accept the request of a consumer to connect them onto an existing Embedded Network. The reasons can vary between technical, commercial or administrative complexity of supply from the retailer to an individual.

However, if the retailer decides to exercise their right not to provide supply to an end user, they will direct (under regulation) the prospective purchaser to the geographic Network Operator for their area and provide them with a list of retailers they can contact.

Reputable EN service providers are constantly working with retailers to seek the best available rates for all of their customers and do so to remain competitive. In contrast there are EN service providers that have alliances or ownership from retailers and their choices are limited when it comes to whom they procure power from and they do not have the same choices as independents. Independents act like a broker, shop around for each site, these suppliers. EN service providers that have alliances have differing interests between supply and demand as opposed to the independents.

If you have been advised you are not entitled to change supplier, this is illegal behavior and should be reported to the Energy and Water Ombudsman (ewov.com.au) or 1800 500 509.

Our customer's quiet enjoyment on our networks is our success.