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Media Release

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Embedded networks prices in NSW under review

IPART is undertaking a review to recommend maximum energy prices for customers in embedded networks. It will also recommend whether the NSW Government should prohibit new hot and chilled water embedded networks and set maximum prices for existing services.

"Customers in embedded networks need protections from unreasonably high prices," IPART Tribunal Member Sandra Gamble said.

"Last year, a NSW Parliamentary Inquiry into embedded networks heard instances of residents receiving hot water charges for \$2,000 over a 9-month period and \$9,700 for a 14-month period."

Embedded networks are private energy networks for energy services. Hot water and centralised air conditioning can also be delivered through embedded networks. They are typically found in newer residential developments, retirement villages, shopping centres and caravan parks.

"Most consumers within embedded networks are locked into a contract with the supplier at their site," said Ms Gamble. "There are few limits on the prices that they can be charged and they are unable to shop around for a better deal."

IPART has today released consultation papers for customers and industry seeking their views on how price caps should be set, and whether there are clear benefits of hot and chilled water embedded networks that justify their construction in the future.


Ms Gamble said a survey is available on the IPART website for customers asking customers about their experiences with embedded networks including what they have been charged by their provider. IPART would also like to hear from industry participants about their concerns, and any issues they consider relevant to its review.

Submissions are due 11 September 2023, and all stakeholders are invited to attend an online workshop on 21 September. Stakeholders will also have the opportunity to comment on IPART's Draft Report in November 2023.

Separately, other reforms for embedded network customers are being delivered under the NSW Embedded Network Action Plan. They aim to offer fairer protection for embedded network customers, such as equal access to government emergency financial support. They will also protect electricity embedded network customers in strata schemes from long contract terms, and improve disclosure requirements so that prospective purchasers and tenants of a strata property are aware of the existence of embedded network arrangements prior to purchase or leasing.

For more information, to take the embedded networks customer survey, make a submission or register for the public hearing, visit IPART's website at www.ipart.nsw.gov.au.

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