



INTELLIHUB GROUP

SUBMISSION TO IPART'S INDUSTRY CONSULTATION ON THE FUTURE OF EMBEDDED NETWORKS IN NSW

11 September 2023

The Intellihub Group (**Intellihub**) is an Australian and New Zealand based utility services company that delivers innovative metering and data solutions to maximise digital and new energy services. We are an experienced and leading provider of multi-utility services across electricity, gas and water networks for residential, commercial & industrial, embedded network and solar metering customers.

Intellihub appreciates the opportunity to provide feedback on the Independent Pricing and Regulatory Tribunal's (**IPART**) industry consultation on the future of embedded networks in NSW. For embedded networks in NSW, IPART is considering a method for setting a maximum price for the sale of electricity, gas and hot or chilled water and is also considering whether new common hot and chilled water in embedded networks should be prohibited. This consultation is part of a wider Embedded Network Action Plan¹ which is seeking to improve outcomes for customers of embedded networks.

We agree that customers within embedded networks should not be disadvantaged because they are living within an embedded network and we agree with introducing regulation to address gaps in customer protections, including how much they can be charged for energy services. Given the difficulty for embedded network customers to switch retailers if they are unhappy with their retailer we agree that defining a maximum price for the sale of electricity, gas and hot or chilled water is appropriate. We also believe, in the interest of transparency and fairness, customers should always be billed on usage that is metered.

However, we disagree that new common hot and chilled water in embedded networks should be banned in NSW. Common hot and chilled water services within embedded networks can be more cost-effective than individual water heaters and coolers due to economy of scale and tight building density rules. We understand that IPART is concerned about the billing of this service and is considering banning this service to resolve the billing issue. We believe the provision of this service should not be conflated with the billing of this service, with the latter better managed with a maximum price and an obligation that bills be based on usage that is metered.

We have worked with numerous embedded network operators to install energy meters to measure the energy used for the common heater or cooler and individual water meters for each customer who receives the heated or cooled water, who are then billed for the energy used in proportion to the amount of water used and the amount of water used based on their individual water meter. We believe this metering approach along with a maximum price will allow for the benefits of a common hot and chilled water to be realised whilst ensuring the customer is not over charged for the service and allows them to see how their bill is related to their usage.

In summary, we agree with defining a maximum price for the sale of electricity, gas and hot or chilled water however we do not agree with banning new common hot and chilled water in embedded networks and suggest an appropriate metering arrangement be mandated for common hot and chilled water services.

¹ <https://www.energy.nsw.gov.au/nsw-plans-and-progress/regulation-and-policy/nsw-embedded-network-action-plan>

We would be happy to provide more detail and work closely with IPART. If you have any questions regarding this submission please contact Dino Ou, Industry Development Lead, on

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Regards

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Steven Linz
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Intellihub