

21 September 2022

Mr Raymond Williams MP
Chair
Legislative Assembly Committee on Law and Safety
Parliament of New South Wales

By email: lawsafety@parliament.nsw.gov.au

Response to written question

Dear Mr Williams,

We write in response to the written question posed by the Legislative Assembly Committee on Law and Safety (Committee) to the Urban Development Institute of Australia, NSW (UDIA) deriving from the Committee's inquiry into embedded networks in NSW.

As the peak industry body representing the leading participants in urban development in NSW, UDIA advocates for the creation of Liveable, Affordable and Connected Smart Cities.

The Committee posed the following question to UDIA:

Comment heard on the Cassie McCullagh's ABC radio interview which was made by a caller named Michael, who said he developed a retirement village in the Hunter Valley and that Ausgrid forced them to put in an Embedded Network. This brings another level of "lack of choice" and a possible coercive tactic to drive developers to Embedded Network suppliers who they may have some interest in. Are they [UDIA] aware of developers being driven/forced to install these networks?

We respond as follows:

UDIA is not aware of developers being forced to install embedded networks. However, there are many situations where an embedded network is the preferred option, from the perspectives of both customer cost savings and design efficiency. As the caller Michael pointed out, the use of an embedded network can provide benefits to the end user energy customer, for example, where a reduced-price contract has been negotiated on behalf of the network.

Although we do not have visibility to the caller's specific development, in many cases community title developments (as typically found in retirement villages) or strata title development (as typically found in apartment developments) can be limited to one point of supply to the development. In effect this means the distributor (e.g., Ausgrid) supply stops 'at the gate' and the electrical network downstream of this is 'private' and managed as an embedded network.

Within the embedded network arena, it is important to maintain choice for both the developer and the end use energy customer.

UDIA would oppose a blanket restriction on embedded networks for specific types of development, because it is important to continue to allow flexibility in designing the best customer outcome for each specific project. Under Ausgrid guidelines, individual energy customers do have the ability to choose their own retailer within an embedded network.

We appreciate the opportunity to provide a response to the Committee. Should you have additional questions, please contact [REDACTED]

Kind Regards,



Steve Mann
Chief Executive
UDIA NSW