

Embedded Networks Review Final Report

Glossary of terms

Term	Description
Centrepay	A Centrelink service where regular bills, such as rent, electricity and phone are paid directly from a person's Centrelink payment. The Centrelink recipient must give permission for this to occur, and it is only available for bills owed to approved businesses.
Child connection point	A connection point that connects to the parent meter and measures the consumption for individual residences (or shops in a commercial setting) within the embedded network.
Community energy project	A project where a community of people develops, delivers and derives benefits from sustainable energy, including renewable energy, in terms of the installation, generation and storage of sustainable energy.
<i>Electricity Industry Act 2000</i> (EIA)	This Act regulates the Victorian electricity supply industry. It prohibits persons from generating, transmitting, distributing, supplying or selling electricity without either holding a licence from the Essential Services Commission of Victoria, or being exempted from the requirement to obtain a licence.
Embedded network	A distribution system connected at a parent connection point to either a distribution system or transmission system that forms part of the national grid and which is owned, controlled or operated by a person who is not a network service provider. For the purposes of the Review and the recommendations, an embedded network is an existing network that was built before the recommendations are implemented.
Embedded network operator	Operates the embedded network, including purchasing electricity from licensed retailers and billing individual customers within the embedded network.
Embedded network owner	Owns the site of the embedded network, and can purchase electricity from a licensed retailer.
<i>Energy Retail Code</i> (ERC)	A code that sets out the rules which electricity and gas retailers and exempt persons must follow when selling energy to Victorian customers.
Essential Services Commission (ESC)	Victoria's economic regulator of essential utility services.
Energy and Water Ombudsman (Victoria) (EWOV)	A free and independent dispute resolution service for Victorian energy and water customers.
Exempt person	A person who is exempt from holding a licence under section 16 of the <i>Electricity Industry Act 2000</i> (EIA) to engage in certain activities as set out in the General Exemption Order.
General Exemption Order (GEO)	An order made under section 17 of the EIA that outlines the terms and conditions under which an electricity supplier can operate without a licence.

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Local energy network	Once the recommendations are implemented and the ESC has approved registration (or updated registration) or an LES licence, new and existing networks will be referred to as a 'local energy networks'.
Local Energy Service (LES) Licence	<p>A proposed new licence category for local energy network providers. Licensing conditions will require renewable energy and/or other clean energy technology and the benefits from this to be demonstrably passed on to customers.</p> <p>Once the new LES licensing framework is in place, anyone who supplies and sells electricity in new residential sites containing a local energy network (including apartment buildings, social housing, retirement villages and residential parks) must obtain a specific LES licence from the ESC.</p>
Microgrid	A small energy system that efficiently manages the supply and demand of electricity from local sources of generation and storage for end-user consumption. Often microgrids will be able to operate in an "islanded" mode, where they can operate independently of the grid. Commonly, this back-up function is enabled via fossil fuel generation (gas or diesel).
Multiple activity exemption	<p>An exemption for a provider that generates, distributes and/or sells electricity at a site. This can include solar power purchase agreement providers and community energy projects.</p> <p>See also Part 4 of the GEO 2017 for the multiple activity exemptions.</p>
National Electricity Market (NEM)	A synchronous electricity grid comprising of transmission lines and cables connecting most states and territories in Australia, to create a national wholesale electricity market operated by the Australian Energy Market Operator (AEMO).
On-market customers	Those who are connected directly to the electricity grid and not part of an embedded network. On-market customers are serviced by licensed retailers and distributors.
Parent connection point (also known as parent meter or gate meter)	The connection point between the distribution network and the individual child meters in an embedded network.
Renewable or clean energy	<p>For the purposes of the Review and recommendations, these terms are used to describe renewable or clean energy options or technologies that help with carbon emission reduction in line with Victorian Government policy.</p> <p>Examples include, but are not limited to, renewable energy generation options (such as solar photovoltaics), energy storage and batteries, energy efficiency, demand management and smart systems, and/or enabling purchase of energy using renewable sources from the market.</p> <p>These terms are technology neutral, in line with the principles underpinning the Review to enable future-proofing of the system.</p>
Retailer of Last Resort (ROLR) event	An event that triggers the operation of the Retailer of Last Resort scheme under the EIA and/or the National Energy Retail Law, whereby the right to buy or sell electricity or gas is revoked.
Third-party service provider	A utility service provider that buys and sells energy to end-user consumers.
Victorian Default Offer (VDO)	A simple, trusted and fair electricity price regulated by the ESC that safeguards residential and small business customers who may be unable or unwilling to engage in the Victorian electricity retail market.