

Embedded Networks Review Final Report

The timeline for transitioning to the LES licensing framework

	1 Until Jun 2022	2 Jun 2022 to Dec 2022 GEO changes announced	3 Jan 2023 to Early-2024 GEO changes comes into effect	4 Early-2024 to Late-2026 LES regime established	5 Early-2027 onwards Consolidation
New residential sites Registered from 1 Jan 2023	N / A	Local energy networks which are in development and become operational after a revised GEO takes effect must register their exemption with the ESC complying with the declaration requirement Sites will need to meet the new renewable energy condition for registrations on or after 1 January 2023 (at least 50% of on-site renewable energy target)	Ban on embedded networks in new residential sites, to be implemented by a revised GEO: Amendments include: <ul style="list-style-type: none"> - Renewable energy conditions - Enhanced consumer protections, enforcement powers and information disclosure requirements 	LES licence is required to be able to sell and supply into these sites Exemptions allowed under the revised GEO for the 'distribution' component (i.e. for owners' corporations) <i>**If registered between 1 January 2023 and when the LES framework is established, an applicant will be given up to six months to apply for a LES licence once the licensing framework is established</i>	
Legacy (existing) residential embedded networks Registered by 31 Dec 2022	Exempt from licensing requirements under the <i>Electricity Industry Act 2000</i> Self-assessed, automatic exemption under the General Exemption Order (GEO)	Update exemption registration with the ESC by 31 Dec 2022 , if wishing to rely on a revised GEO Statutory declaration requirement: <ul style="list-style-type: none"> - Meeting renewable energy obligations within three years of a LES licensing being established (renewable energy may be purchased from the market for legacy sites) <i>*If no updated registration, will be subject to the same conditions for new residential sites from 1 January 2023</i>	Exemptions subject to a revised GEO: <ul style="list-style-type: none"> - Same conditions as new residential sites, except the renewable energy obligations 	LES licence is required to be able to sell and supply into these sites Prepare to meet the renewable energy obligations by early-2027 Exemptions allowed under a revised GEO for the 'distribution' component <i>***An applicant will be given up to three years to apply for a LES licence after licensing framework established</i>	Required to meet the renewable energy obligations
Other exempt entities (e.g. commercial)		Regulated under a revised GEO, but not all obligations on residential local energy networks would necessarily apply to other exempt entities The Victorian Government could consider whether the Panel's recommendations relating to residential local energy networks should be extended to small business customers, where appropriate			