

# The cost of electricity – long-stay tenants in residential parks

It is common for residential park operators to purchase electricity in bulk from a licensed retailer (for example, Synergy or Horizon Power) and then on-sell electricity to long-stay tenants on individual sites in the park.

This arrangement is known as an embedded network. Embedded networks are commonly used in other kinds of multi-tenanted properties such as shopping centres, apartment buildings and retirement villages.

This information explains how electricity charges from an embedded network are regulated and what a park operator can and cannot charge long-stay tenants.

## What is an embedded network?

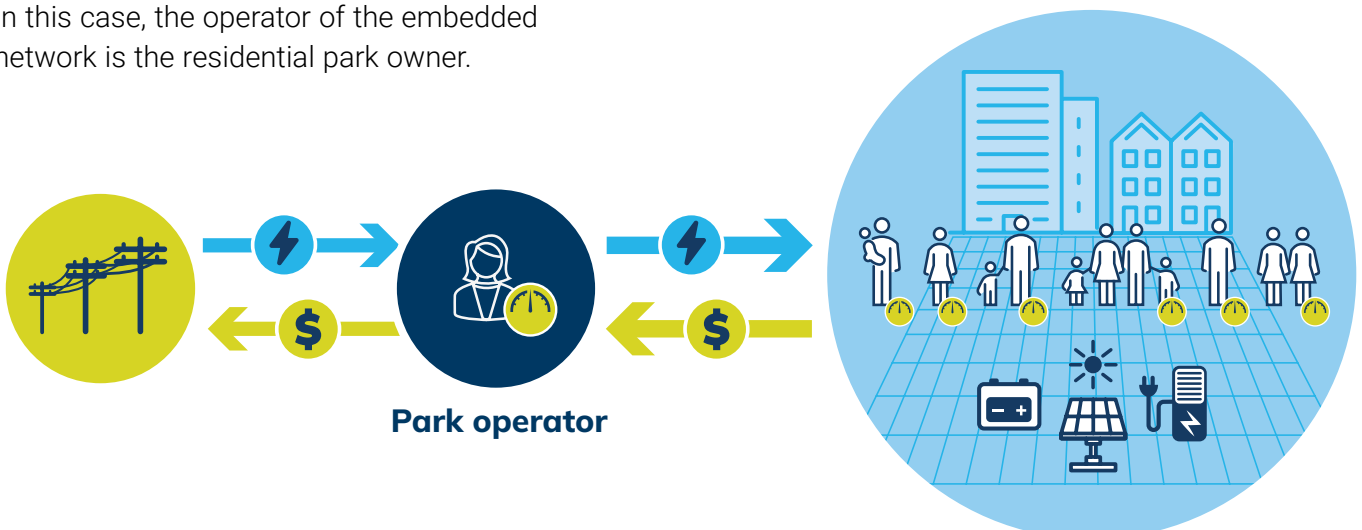
An embedded network is a private electricity network servicing multiple lots within the one property. It is connected to the grid through a “master meter” which measures the electricity supplied for everyone on that property at that connection point. This [embedded network video](#) explains this further.

In this case, the operator of the embedded network is the residential park owner.

## How is an embedded network regulated?

Legislation requires anyone who generates, distributes or sells electricity to a customer for consumption in Western Australia to hold a licence, with some exceptions. Residential parks are permitted to on-sell electricity without a licence under the *Electricity Industry (Caravan Park Operators) Exemption Order 2005* or *Electricity Industry Exemption Order 2005* (the exemption orders) administered by [Energy Policy WA](#) (EPWA).

The electricity charges that a park operator can and cannot charge to long-stay tenants in an embedded network are regulated by the exemption orders and the *Residential Parks (Long-stay Tenants) Act 2006* (the RPLT Act).



The exemption orders restrict the amounts park operators can charge for electricity depending on whether the electricity is:

- purchased from Synergy or Horizon Power;
- purchased from another electricity retailer; or
- generated by the park operator.

The RPLT Act restricts the types of fees a park operator can charge a long-stay tenant. In relation to fees for a service or facility that the RPLT Act and Residential Parks (Long-stay Tenants) Regulations 2007 permit to be charged separately to the rent, the RPLT Act includes a general obligation that the amount is reasonable or necessary to recover the reasonable costs of providing the long-stay tenant the service or facility for which the fee is charged.

Electricity costs ordinarily include two components:

1. a consumption charge; and
2. a supply charge.

The consumption charge relates to the amount of electricity that the tenant actually consumes, while the supply charge relates to the cost of providing electricity services to the customer (for example, providing and maintaining electricity infrastructure, meter readings and the preparation and issuing of bills).

## What types of fees can a park operator charge and not charge long-stay tenants?

The RPLT Act outlines that a park operator:

- Can charge a long-stay tenant an amount for consumption as a separate fee if the tenant's park home has a separate electricity meter.
- Cannot charge a long-stay tenant an amount for the supply of electricity to the long-stay tenant's park home as a separate fee.

While a park operator cannot charge each long-stay tenant a separate fee for the cost of supplying electricity services, the operator may choose to recover these costs through the rent.

## Do the exemption orders limit the amount that park operators can charge long-stay tenants for consumption?

Where the long-stay tenant's park home has a separate electricity meter, a separate fee can be charged for consumption. The exemption orders limit the amount of that consumption fee as follows:

### Electricity purchased from Synergy or Horizon

If the park operator buys electricity from Synergy or Horizon Power, the exemption orders prevent the park operator from charging long-stay tenants more than Synergy or Horizon Power charge residential customers for electricity consumption.

Synergy and Horizon Power's regulated electricity prices are the A1 tariff and A2 tariff respectively. See [A2 Residential Tariff on the Horizon Power website](#) and [Synergy Home Plan A1 Tariff – Residential Electricity Plan on the Synergy website](#).

While the exemption orders contain restrictions on the amounts on-sellers can charge as **separate** fees for consumption and supply, the RPLT Act prohibits park operators from charging long-stay tenants a separate fee for supply. Park operators must comply with both the exemptions orders and the RPLT Act, meaning that long-stay tenants cannot be charged a separate fee for supply (but can choose to recover the cost of supply through the rent).



## Electricity purchased from retailer other than Synergy or Horizon

If the park operator buys electricity from a retailer other than Synergy or Horizon Power, the restriction on charging no more than the amount that Synergy or Horizon Power is allowed to charge residential customers for electricity consumption does not apply.

When charging long-stay tenants a separate fee for their consumption, park operators must always comply with the requirement in the RPLT Act that the fee is necessary to recover the reasonable costs of providing the tenant the service or facility or a reasonable amount. While the exemption orders do not restrict the amounts park operators may charge as a separate consumption fee for electricity purchased from retailers other than Synergy or Horizon, the reasonableness requirement in the RPLT Act still applies.



## More information

The [Park Living Information Booklet](#) contains further information about fees and charges, as well as your long-stay agreements.

If you have any queries or concerns about electricity charges in long-stay residential parks, please contact Consumer Protection's Contact Centre on 1300 30 40 54.

While EPWA do not regulate electricity licence holders, it administers licence exemptions and provides information on electricity pricing. For more information, [visit the EPWA website](#).

EPWA can be contacted by calling 6551 4600 or emailing [EPWA-licence-exemptions@demirs.wa.gov.au](mailto:EPWA-licence-exemptions@demirs.wa.gov.au).

## Park operator generates electricity

If the park operator generates its own electricity, the long-stay tenant may not be charged more for the electricity than the cost the park operator incurs in generating that electricity.

More information on the distribution, supply and sale of electricity is available from the [On-selling of electricity and gas page](#) on EPWA's website.

### Department of Energy, Mines, Industry Regulation and Safety

[www.demirs.wa.gov.au](http://www.demirs.wa.gov.au)

#### Regional Offices:

Goldfields/Esperance	(08) 9021 9494
Great Southern	(08) 9842 8366
Kimberley	(08) 9191 8400
Mid West	(08) 9920 9800
North West	(08) 9185 0900
South West	(08) 9722 2888

### Consumer Protection Division

Gordon Stephenson House  
Level 2/140 William Street  
Perth Western Australia 6000  
Locked Bag 100, East Perth WA 6892

**Call:** 1300 30 40 54

**Email:** [consumer@demirs.wa.gov.au](mailto:consumer@demirs.wa.gov.au)

[www.consumerprotection.wa.gov.au](http://www.consumerprotection.wa.gov.au)



**Disclaimer:** The information contained in this fact sheet is provided as general information and a guide only. It should not be relied upon as legal advice or as an accurate statement of the relevant legislation provisions. If you are uncertain as to your legal obligations, you should obtain independent legal advice.

**This publication is available in other formats on request.**

National Relay Service: 13 36 77

Translating and Interpreting Service (TIS): 13 14 50