

Simplifying high-rise Natural Gas in NSW

What do these changes mean for Property Developers?



As of 1 July 2020, Jemena will be simplifying our high-rise products by phasing out our product solutions that include individual hot water metering.

These changes will allow Jemena to help reduce costs and put downward pressure on total gas network tariffs whilst aligning with other gas distributors across Australia.

Individual Gas Metering and Boundary Gas Metering product solutions will continue to be available now and into the future.

When will the change come into effect?

From 1 July 2020, Individual Hot Water Metering products will no longer be available for high rise property developments. Sites that have a Construction Certificate on or after 1 July 2020 have the option to select Individual Gas Metering and Boundary Gas Metering – these options are currently available and will continue to be into the future.

Note: Many developers are already choosing Boundary Gas Metering for their high rise developments – with Boundary Metering now representing our fastest growing metering solution with a 49% increase since 2016.

What options do I have?

There will be two options for Property Developers where gas is expected to be connected on or after 1 July 2020:

- If you install a centralised hot water solution for your development, the only metering solution Jemena will provide is Boundary Gas Metering. You will therefore need to engage an Embedded Network Provider to assist with the supply of infrastructure downstream of the Boundary Gas Meter¹. This will apply even if you wish to install gas heating or cooking for individual apartments.

Note: If your development consists of retail or commercial properties, Jemena will continue to provide individual metering for their use.

- If you do not install centralised hot water and wish to install individual gas hot water, heating and/or cooking in each apartment, Jemena will continue to provide individual gas metering as we currently do.

What is an Embedded Network Provider (ENP)?

An ENP is a third party that typically owns, installs and maintains utility network infrastructure in residential or business complexes - in this case, the centralised gas hot water plant and associated metering.

The ENP is billed by their retailer as one large customer for all gas supplied to the complex through the one 'boundary' meter installed by Jemena.

The ENP will use hot water meters installed at each apartment to determine and bill occupants. If additional gas appliances are used throughout the site such as cooking and heating – the ENP usually charges residents a flat unmetred day rate. Alternatively, the ENP may charge the body corporate which will then recover those charges through their quarterly strata fees.

¹ A recent amendment to the Residential Tenancies Act requires "separate metering" for gas and water.

When would I choose a centralised hot water solution with an ENP over individual gas hot water?

There are a number of factors that impact the solution you choose:

- The number of apartments in a complex - centralised hot water solutions are generally more cost effective for complexes with 30 apartments or greater.
- Space and ventilation – centralised hot water avoids the need/use of balconies for the installation of individual hot water systems and gas metering for each apartment.
- Council DA Requirements
- Capital Expenditure

Note: We recommend contacting a hydraulic consultant to discuss options best suited to your specific development needs.

Who covers the cost of the hot water plant?

You would need to talk to your preferred ENP. Typically the centralised hot water plant and metering would be owned, set up and maintained by the ENP, and therefore the associated costs are typically handled by the ENP.

How early do I need to engage an ENP?

Our recommendation is to engage the ENP as early as possible. The optimal time is just prior or just after DA approval so that spatial allowances for assets can be considered.

How do I find an ENP?

There are a number of ENPs available in NSW. Please see <https://jemena.com.au/gas/developers> for an up to date list.

Can I still get a separate meter for common property, i.e. spa, pool, BBQ?

Yes. Provided the internal pipework is designed to supply these appliances separately from the centralised hot water system, Jemena is happy to provide separate meters for these sorts of uses. A hydraulic consultant will be able to assist you with this matter.

Will I still be able to apply for the gas connections?

- For sites with individual gas hot water systems - yes.
- For sites with centralised hot water – no. You will need to engage an ENP who will manage the application and connection process via their Energy Retailer.

My building already has centralised hot water with metering provided by Jemena. What will happen in this case?

These changes will not impact existing high rise developments / buildings.