

Simplifying Energy for Strata



Large Market FAQ's

- **Why should we contract our large market site?**

In the large market space, if a site is not in a contract, they become subject to the published default rates of their retailer. These are higher than contracted prices, so having a contract in place protects the owners corporation from higher than necessary prices.

- **What if we want to be changed to a small market site?**

Unfortunately this is not a choice or decision the owners corporation can make. Large market sites are classified by the AER (Australian Energy Regulator) according to their annual usage. Sites that use more than 100 MWh of power are classified as large market or C&I sites and are subject to that markets regulations and charges.

- **What if our plan decides to move retailers? Will there be exit fees or other costs?**

A large Market contract is a locked in contract. If the owners corporation wish to change retailers before the contract end date, there will be exit fees and contract break costs. These can be significant and such a change should be carefully weighed up to assess the costs involved for the OC.

- **What if our electricity usage changes - will we be penalised?**

There are load limits on large market contracts, however retailers have flexibility around these limits. Should the site drop below the 100 MWh threshold during their contract period, the site can go through a down-tier process at the end of the contract to be re-classified as a small market site. This should be done after the contract ends to avoid any exit fees or contract break costs.

- **How long are Large Market contracts for?**

Depending on the offer, a site can contract for short terms of 3-12 months, or they can contract for up to 5 years.

- **What is different between large market contracts and small market agreements?**

Large Market contracts lock in rates for the contract period. Depending on the length of the contract, the later years are often at a reduced rate each year. These rates cannot be changed by the retailer once the contract is signed and accepted. In a small market contract, the retailer locks in a discount for the contract term, but rates are subject to market pressures and are usually updated on July 1 each year.

- **What does it cost the owners corporation to run a Large Market tender?**

This can vary depending on your energy broker. Strata Energy Services does not charge for this service, but are remunerated by the winning retailer.