

VICTORIAN

# Energy Market

REPORT

JUNE 2023

Demystifying green  
energy offers

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Energy in  
Victoria

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## Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities, and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to one of the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

## An appropriate citation for this paper is:

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The Victorian Energy Market Report meets our reporting obligations under section 10AA(a) and 10AAB of the *Essential Services Commission Act 2001*; sections 39A and 109A(3) of the *Electricity Industry Act 2000*; sections 47 and 223(3) of the *Gas Industry Act 2001*; and section 67(1) of the *Victorian Energy Efficiency Target Act 2007*.

## Important notice

The information in this publication is to meet statutory reporting requirements and provide general guidance only. It does not constitute legal or other professional advice and should not be relied on as a statement of the law in any jurisdiction. While the commission has made every reasonable effort to provide current and accurate information, you should obtain professional advice if you have any specific concern, before relying on the accuracy, currency or completeness of this information.

## Contents

<b>Chairperson’s foreword</b>	<b>4</b>
<b>Energy in Victoria</b>	<b>6</b>
Reports and reviews	8
Compliance focus: wrongful disconnections	10
Broader compliance and enforcement activities	11
Many more customers experiencing payment difficulty	14
Disconnections for non-payment	21
Market entry and exit	22
<b>Demystifying green energy offers</b>	<b>24</b>
<b>Appendix</b>	<b>32</b>



## Chairperson's foreword

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*There is support available to help alleviate the burden of these rising costs. The Victorian Government offers a range of concessions to eligible households.*

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Many Victorian energy consumers are currently facing significant cost-of-living pressures. Each year, the Essential Services Commission sets the Victorian Default Offer (VDO) – a simple, trusted and reasonably priced electricity option to protect people who don't want to, or can't, engage in the retail energy market. In this challenging context, it was a difficult decision that the Essential Services Commission made in recent weeks to increase the VDO from 1 July 2023 by 25 per cent on average.

The increase in the VDO prices is mainly due to significant increases in wholesale electricity costs. We acknowledge that in the short-term increases in energy prices, leading to higher bills for Victorians, will impose economic and social costs on consumers, businesses, government, and community service organisations. There is support available to help alleviate the burden of these rising costs. The Victorian Government offers a range of concessions to eligible households.<sup>1</sup>

For example, Victorian consumers can access assistance by applying for Utility Relief Grants. Eligible concession card holders can apply to their retailer for a further 17.5 per cent discount off their gas bills during winter.<sup>2</sup>

In addition, Victorian households can take advantage of the Victorian Government's \$250 Power Saving Bonus by visiting the Victorian Energy Compare website.<sup>3</sup>

The Australian Government recently announced a package of bill-relief funding for energy consumers in the federal budget 2023–24. This plan will deliver up to \$500 in electricity bill relief for eligible households and up to \$325 for eligible small businesses in 2023.<sup>4</sup>

We further support consumers facing cost-of-living pressures by holding Victoria's energy companies accountable for complying with the state's strong consumer protections.

<sup>1</sup> See the Victorian Government's website for more information about [Energy concessions](#).

<sup>2</sup> See the Victorian Government's website for more information about the [Winter gas concession](#).

<sup>3</sup> See the Victorian Government's [Victorian Energy Compare](#) website for more information.

<sup>4</sup> See the Australian Government's website for more information about the [Energy Bill Relief Fund](#).

Between January and March this year, we have taken action to ensure retailers provide accurate data on the Victorian Energy Compare website, notify their customers on contract changes, undertake necessary processes and draw on all available resources before placing a disconnection order for non-payment. Additionally, we have monitored electricity distributors' compliance with voltage performance standard to maintain reliable energy supply and recently published the performance data on our website.

In Q3 2022–23, three retailers paid over \$740,000 in penalties for incorrect billing or failing to adequately assist customers experiencing payment difficulty.

These actions protect Victorian consumers by ensuring they receive transparent pricing information, assistance when needed, and access to a reliable energy supply.

Mojo Power East Pty Ltd and QEnergy Limited have triggered Retailer of Last Resort events. We are working to minimise any impacts on consumers.

Despite the rise in energy bills, we know that many Victorian consumers want to support the energy transition and buy 'green' energy products. We pay particular attention to green energy offerings and dedicate part of this report to 'demystifying green energy offers'.

Many consumers do not know that they contribute to the energy transition, whichever energy plan they have. Consumers' electricity bills include costs for government schemes and retailer obligations that contribute to the energy transition.

Searching and choosing between green energy options is currently quite challenging for energy consumers. Offers are complex, pricing is unclear and commentary on potential issues can undermine trust.

This is true for both common product types – 'GreenPower' and those marketed as 'carbon neutral'.

Consumers can find retailers offering GreenPower options on the Victorian Energy Compare website. However, comparing across all options and individual offers can be difficult.

Our research shows that consumers can be paying up to \$284 more every year for the same contribution to emissions reduction, depending on the retailer they choose.

In this report, we've listed the retailers with their charges for GreenPower options and highlight the difference in additional annual costs. More detail on the cost of different green energy options is available on retailers' websites. Of course, it is important to consider the bill's total cost, including the GreenPower add-on. Not only the GreenPower add-on cost.

We understand that rising energy prices increase the burden on consumers, particularly during this cost-of-living crisis.

There are strong rules in Victoria for retailers to offer and provide payment support to customers, which can help alleviate the burden of rising energy costs.

There are a range of options available for consumers, including payment plans and concessions, rebates, and utility relief grants. We expect retailers to engage with customers who may be experiencing hardship, and we also encourage consumers to contact their retailer early if they need assistance.

Together, we can navigate these challenges and work towards a more sustainable and affordable energy future for all Victorians.

**Kate Symons**  
**Chairperson and Commissioner**

# Energy in Victoria

January – March 2023

- ▶ Reports and reviews
- ▶ Compliance focus: wrongful disconnections
- ▶ Broader compliance and enforcement activities
- ▶ Many more customers experiencing payment difficulty
- ▶ Disconnections for non-payment
- ▶ Market entry and exit



# Energy in Victoria

January – March 2023

## Reports and reviews



We published our final decision on the Victorian Default Offer price review 2023-24 in May 2023, with changes to come into effect from 1 July 2023.

### Compliance and enforcement



Penalty notices issued to three retailers and over \$740,000 in penalties paid in total.

### Customers experiencing payment difficulty



67,413 residential electricity customers accessing tailored assistance.

22 per cent increase in the number of Utility Relief Grants paid to customers in the last nine months.

### Disconnections



2,607 residential electricity customers were disconnected for non-payment across the quarter.

### Market entry and exit



One electricity retail licence and one gas retail licence varied.

43 electricity licence exemptions registered.



### Victorian Default Offer price review 2023–24

Our final decision for the 2023–24 Victorian Default Offer results in an increase of 25 per cent in the average annual electricity – that is \$352 for residential customers (assuming annual usage of 4,000 kWh), and \$752 for small business customers (assuming annual usage of 10,000 kWh). We understand the impact this may have on the cost of living for Victorians and are committed to ensuring transparency in our decision-making process.

The change in prices is due to significant increases in wholesale electricity costs. It reflects a year of price volatility in energy markets, which is making it more expensive for energy companies to buy and supply electricity across Australia.

We acknowledge concerns raised by stakeholders about the large increase in prices. Therefore, we did additional testings of our general approach and the underlying assumptions besides our usual quality assurance processes. As part of this testing process, we identified several areas we consider warranted change. These changes mean that prices in our final decision are lower than the prices in our draft decision for the 2023–24 Victorian Default Offer.

The Australian and Victorian governments are taking action to reduce the impact of increases in the cost of wholesale electricity.

A new round of the Victorian Government's Power Saving Bonus commenced on 24 March, providing \$250 to Victorian households to help ease cost-of-living pressures and encourage consumers to compare energy offers. Additionally, consumers can apply for Utility Relief Grants if they have difficulty making energy bill payments.

The Australian Government recently announced a partnership with state and territory governments to deliver up to \$3 billion of electricity bill relief for eligible households and small businesses in the federal budget for 2023–24. This includes electricity bill relief of up to \$500 for eligible households and \$325 for small businesses.<sup>1</sup>

The changes to the Victorian Default Offer tariffs will come into effect from 1 July 2023.

### Developing a Land Access Code of Practice

Transitioning to a renewable energy future requires significant investment in new transmission infrastructure. We are supporting this transition by developing a new Land Access Code of Practice. It will give landowners protection and support effective engagement between communities and transmission companies accessing land. These enforceable obligations aim to make access to private land more transparent and hold transmission companies to account.

This code of practice puts obligations on electricity transmission companies when they access land under section 93 of the *Electricity Industry Act 2000*. It is the next step in our work on land access by electricity transmission companies.

We consulted on the draft code of practice from 2 February 2023 to 3 March 2023. We released the draft code of practice in June 2023.

### Reviewing the Gas Distribution System Code of Practice

We also support the energy system to transition to net-zero emissions by updating our gas code to make it fit for purpose. In particular, our review considers recent policy developments relating to natural gas use and the Victorian gas network.

The Gas Distribution System Code of Practice sets out consumer protections and obligations gas distributors must follow in operating distribution systems in Victoria.

The commission is reviewing and remaking the Gas Distribution System Code of Practice to:

- ensure obligations stay fit for purpose
- align the code of practice with the national regulatory framework
- support broader policy developments such as the Victorian Government's Gas Substitution Roadmap.

On 21 March 2023, we released an issues paper seeking stakeholder feedback. We also held a stakeholder information session on 20 April 2023.

Consultation closed on 4 May 2023, with a draft decision due August 2023.

<sup>1</sup> See the Australian Government's [energy price relief](#) website for more information.



### **Electricity Distribution Code of Practice**

On 11 August 2022, we published our final decision *Making the Electricity Distribution Code of Practice*. The new Electricity Distribution Code of Practice took effect on 1 October 2022.

Our decision included making electricity distributor reporting obligations civil penalty requirements, which took effect on 1 October 2022.

On 22 December 2022, we published our final decision on the *Distributor reporting obligations – Electricity Distribution Code of Practice update 2022*.

We moved electricity distributor reporting obligations and performance indicators out of the Compliance and Performance Reporting Guideline. They are now in a schedule in the Electricity Distribution Code of Practice. This took effect on 1 May 2023.



## Compliance focus: wrongful disconnections

Wrongful disconnections are a compliance and enforcement priority for the commission. Electricity and gas are essential services. An energy retailer should only ever disconnect a consumer as a last resort.

This is an update on the commission's recent work to reduce wrongful disconnections.

### Self-reported potential wrongful disconnections

Losing access to power can cause inconvenience, distress and impacts on health and wellbeing. When energy retailers wrongfully disconnect a customer they must report it to us. We continue to receive a concerning number of reports of these incidents.

Our aim is to see a reduction in the number of customers wrongfully disconnected. To direct our work into this space, we have looked into common root causes and trends.

### Customer-initiated disconnections

The most common type of wrongful disconnection retailers reported in 2021 and 2022 were often caused by retailers raising move-out disconnections for the wrong date or wrong premises in response to customer requests.

### Retailer initiated disconnections

The second most common type of wrongful disconnection retailers reported in 2021 and 2022 related to retailer-initiated disconnections.

Retailers:

- closed customers' accounts incorrectly
- failed to confirm correct addresses prior to a disconnection
- failed to cancel disconnections when customers entered into a new contract.

## Compliance reviews

We have directed three retailers to conduct a compliance review of their relevant disconnection processes. The aim of the compliance reviews is to better understand the root causes of wrongful disconnections and to identify opportunities to prevent future breaches.

These compliance reviews are a first step in our ongoing work to reduce the impact of wrongful disconnections on the Victorian community. We intend to publicise the findings from the compliance reviews so that all retailers can benefit from the learnings. The commission can direct energy retail licensees to undertake compliance reviews under the standard licence conditions.<sup>2</sup>

A compliance review is a tailored review of a licensee's compliance with particular obligations. The licensee must appoint an independent reviewer, approved by the commission, to conduct the review.

Compliance reviews are fit for purpose. They give us flexibility to approve the appointment of a reviewer with skills and experience relevant to the subject under review. For example, in some instances we may approve a legal or compliance professional, rather than an audit firm.

<sup>2</sup> See clause 14 of the Standard Electricity Licence Conditions for Electricity Retail and clause 15 of the Standard Gas Licence Conditions for Gas Retail.



## Broader compliance and enforcement activities

In all our work, including compliance and enforcement activities, we aim to promote the long-term interests of Victorian consumers. We set annual compliance and enforcement priorities in line with our objective. We publish those priorities at the start of each financial year. Our objective and priorities have guided our compliance and enforcement work in the last quarter.

In the last quarter (1 January 2023 to 31 March 2023), we actively pursued compliance and enforcement actions, including:

- issuing 12 warning/education letters
- taking 15 actions to promote compliance, including requests for detailed information and requiring remediation plans
- the payment of penalty notices by three energy retailers
- accepting an enforceable undertaking from one energy retailer.

In the current quarter we have continued compliance and enforcement activities to address challenges in the Victorian energy market.

We have responded to reports of non-compliance and provided guidance to industry where required. These actions help participants in the market to better understand their responsibilities, rights, and obligations. They also allow us to act more effectively to prevent and address issues that harm Victorian energy consumers.

## Compliance action

### Voltage performance by Victoria's energy distribution businesses

Maintaining steady and compliant voltage levels is important for energy consumers. Voltage levels can affect household appliances and solar panel output from homes.

Energy distributors must maintain voltage levels set out in the Electricity Distribution Code of Practice. This has been a civil penalty requirement since October 2022. The voltage performance requirement allows us to use a range of enforcement tools if we see non-compliance, such as issuing penalty notices or seeking civil penalties.

We have monitored electricity distributors' compliance with voltage performance standards and recently published the performance data on our website.

<sup>3</sup> See the commission's website for more information about the [Letter to retailers](#).

## Providing accurate data for the Victorian Energy Compare website

On 31 March 2023, we wrote to energy retailers after it was brought to our attention that some retailers may have been inputting information incorrectly into the Victorian Retailer Portal, which is how energy retailers upload information for the Victorian Energy Compare website.

This meant that the Victorian Energy Compare website had the potential to present information about discounts and price benefits differently, depending on how each retailer inputted their information.

It is critical that the information about energy offers available on the Victorian Energy Compare website is accurate and transparent. This is especially important right now because a new round of the Victorian Government's \$250 Power Saving Bonus has recently commenced, bringing many customers to the Victorian Energy Compare website.

We reminded retailers they should be complying with our Energy Fact Sheet guidelines and instructed them to check the accuracy of their offers. We also engaged with some retailers individually to ensure that their information is accurately presented and consistently in line with other retailers.

## Contract change notifications

Our proactive market monitoring identified a trend of retailers failing to give appropriate notice to customers prior to price changes or benefit changes, or the end of a fixed term contract. This conduct may contravene specific consumer protections under the Energy Retail Code of Practice.

Receiving accurate and timely information about changes to their energy contracts is necessary for energy consumers to engage confidently with the energy market.

We wrote to industry on 12 January 2023, reminding retailers that they must<sup>3</sup>:

- give sufficient notice to customers of price or benefit changes, and the end of any fixed-term contract
- provide payment assistance to customers where required
- allow customers to access a standing offer (in the case of electricity, the VDO)
- ensure market offers are up to date in the Victorian Retail Portal.

This follows our previous reviews of retailers' bill change alerts, which the previous Victorian Energy Market Report highlighted.

We will continue to check these important retailer notifications to ensure customers receive the required information with sufficient notice.

## Enforcement action

### Enforceable undertaking – Momentum Energy

The commission accepted an enforceable undertaking from Momentum Energy Pty Limited (Momentum) in February 2023.

An enforceable undertaking is an administrative alternative to court action. If an entity breaches the terms of their undertaking, we can enforce compliance through court.

The commission may accept a written undertaking regarding any matter that relates to our statutory functions or powers.

The commission accepted the undertaking from Momentum following allegations that it had unlawfully disconnected electricity to the home of a family violence victim-survivor experiencing financial difficulties.

Momentum said that an IT systems error caused the disconnection.

Momentum undertook to manually review all disconnection orders for non-payment that its staff raise. It also undertook to review, and if required update, all training materials and procedures relating to energy disconnections to ensure they reflect best practice. This action emphasises that energy retailers should have resources and processes in place to ensure disconnection is only ever a measure of last resort.

### Incorrect billing

Mojo Power East Pty Ltd (Mojo Power) and QEnergy Ltd (QEnergy) each paid over \$180,000 in penalties in January 2023, for allegedly charging over 470 Victorian Default Offer customers incorrect rates. The alleged incorrect billing happened between January and February 2022.

The Victorian Default Offer is a trusted safeguard for energy consumers, including those experiencing vulnerability. The commission considers that it is vitally important that energy businesses follow the rules that protect consumers' right to be billed correctly.

<sup>4</sup> The penalty notice amount for a contravention in that period was limited to 56 penalty units. The penalty notice amount is now significantly larger, at 200 penalty units (currently \$36,984). Any penalty notices for equivalent contraventions in the future will attract these higher penalty amounts.

## Failure to provide adequate assistance

Alinta Energy Retail Sales Pty Ltd (Alinta Energy) paid over \$380,000 in penalties in January 2023. Alinta Energy allegedly failed to provide adequate assistance to 13 residential customers experiencing payment difficulty between December 2021 and March 2022.

Alinta Energy allegedly required four of the 13 customers to speak to a financial counsellor before it provided assistance.

The other customers received some assistance, but not all the forms of assistance that should have been offered.

The penalties demonstrate that placing barriers in front of customers seeking payment assistance is unacceptable and the commission will take strong action when we uncover evidence that these important rules are not being followed by energy businesses.

## Penalty notices issued to AusNet

More recently, in April 2023, AusNet Electricity Services Pty Ltd (AusNet) paid over \$40,000 in penalties.<sup>4</sup> AusNet allegedly failed to notify four customers, including a customer registered with AusNet as requiring life-support equipment, of a planned power interruption in Wodonga in June 2022.

AusNet self-reported to us that it had failed to give the life-support customer notice of the planned power interruption.

On further investigation, we identified that AusNet allegedly failed to notify another three customers affected by the planned power interruption.

The Electricity Distribution Code of Practice requires energy distribution businesses like AusNet to give customers at least four business days' notice, in writing, of planned interruptions to electricity supply.

These rules protect energy consumers. They particularly protect consumers experiencing vulnerability such as customers relying on power for life-support equipment.

The commission consider that our rules protecting life support customers are amongst the most critically important that we administer and we will take action when energy businesses contravene these obligations.

## Publication of Enforceable Undertakings Guideline

We published an Enforceable Undertakings Guideline in March 2023.<sup>5</sup> The guideline assists regulated entities and persons who are considering offering an enforceable undertaking to the commission.

The guideline explains the commission's power to accept an enforceable undertaking and the process for offering an enforceable undertaking to the commission.

It also provides guidance on:

- the commission's general expectations for an enforceable undertaking's form and acceptable terms
- the consequences of entering an enforceable undertaking with the commission
- the consequences of breaching an enforceable undertaking.

<sup>5</sup> See the commission's website for more information about the [Enforceable Undertakings Guideline](#).



## Many more customers experiencing payment difficulty

March 2023 had the highest number of residential electricity customers accessing tailored assistance since the payment difficulty framework started in 2019 (67,413 customers – Appendix Figure 3).

The number of Victorian households receiving assistance to pay their gas bills also continues to be high, with 55,415 at the end of March 2023. This is similar to the December 2022 quarter which was the highest we had seen throughout the payment difficulty framework.

The monthly average number of customers receiving help has increased by four per cent for electricity and 12 per cent for gas across 2022–23, compared to 2021–22 (see Figure 1).

In addition to more customers receiving help, their average arrears also increased – by seven per cent for gas and two per cent for electricity in 2022–23 (see Figure 2).

With rising cost-of-living, it is vital that retailers comply with their obligations to support customers.

There are always opportunities for retailers to continuously improve how they support customers.

We continue to monitor retailers’ support for customers experiencing payment difficulty. We will

continue to take compliance action where retailers do not meet their obligations (see Enforcement Action on page 12).

It is still a joint challenge for the commission, community partners, and retailers to create a supportive environment for consumers that gives them the confidence to receive support they are entitled to. Creating this environment might be through further reducing barriers to consumers accessing support, or directly helping consumers with assistance that accounts for their needs.

### Payment Difficulty Framework

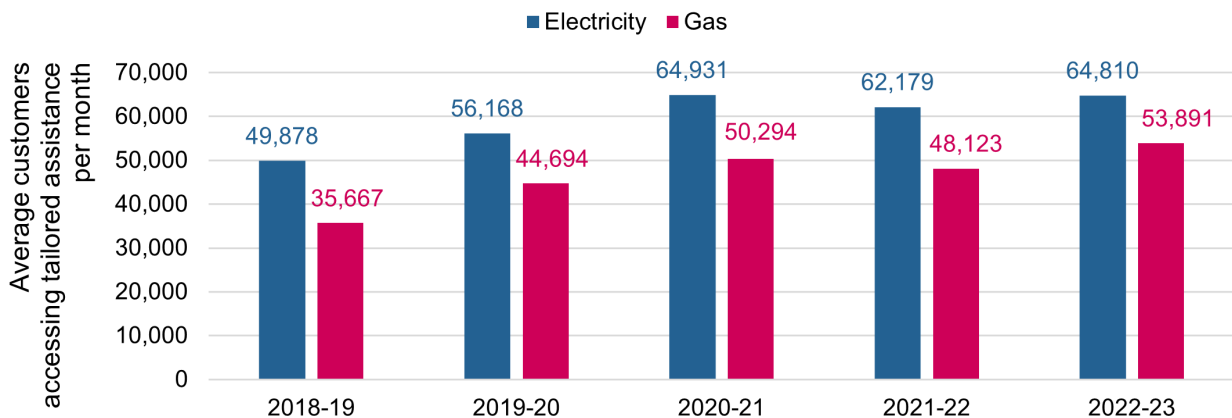
The Payment Difficulty Framework is a set of rules that requires energy retailers to help customers who are having trouble paying their energy bills. This help is referred to as ‘tailored assistance’.

The framework aims to:

- help customers avoid getting into arrears
- make it easier for customers to pay for their ongoing energy bills or repay arrears
- ensure that disconnection for not paying a bill is only a measure of last resort.

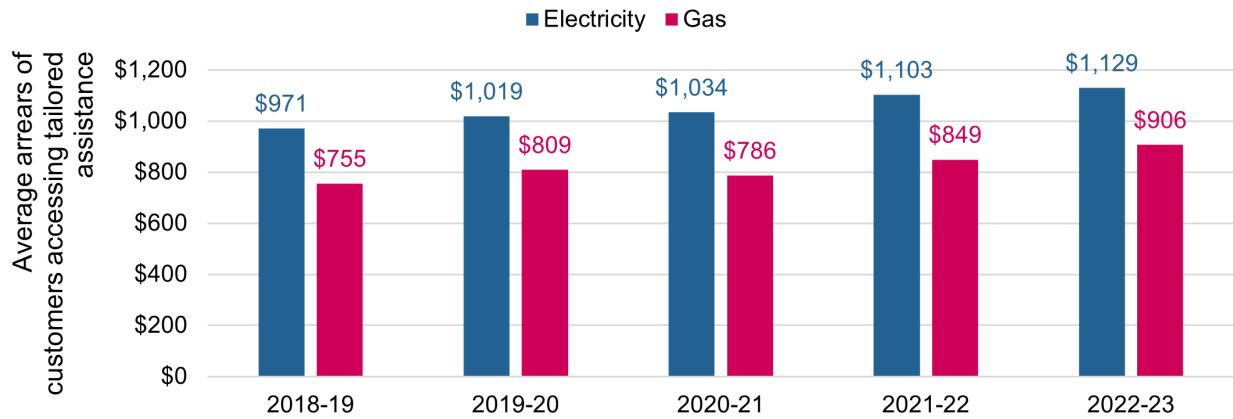
The Payment Difficulty Framework took effect in January 2019.

Figure 1: Average number of customers accessing tailored assistance per month, by fuel<sup>6</sup>

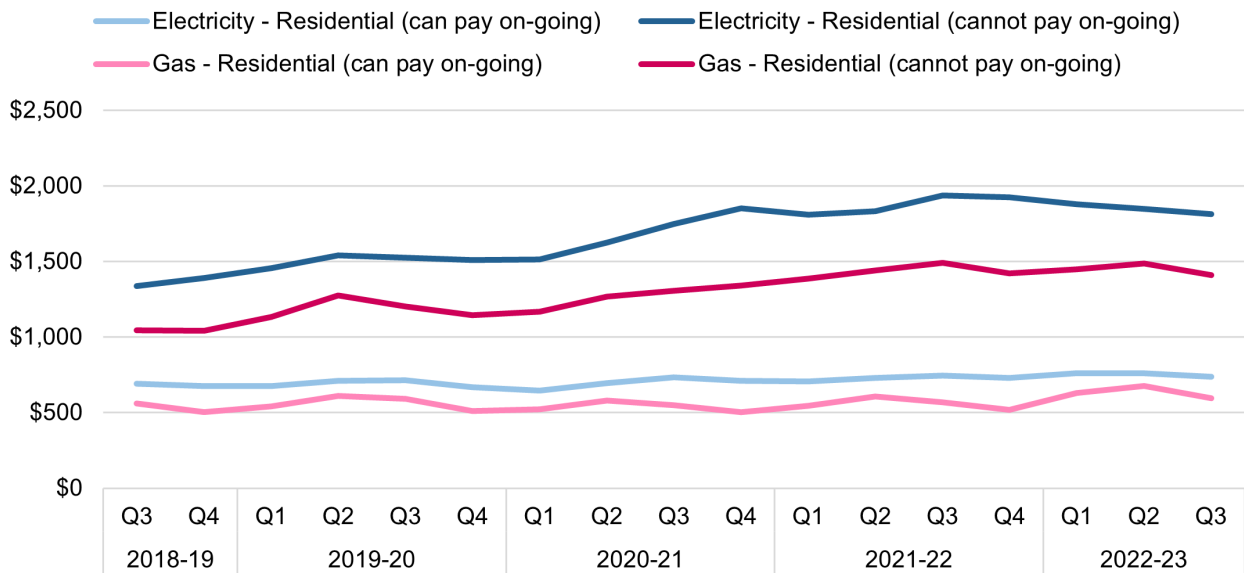


<sup>6</sup> These figures are the averages across all months of each year and have not been adjusted for inflation. 2022–23 only includes data from the period July 2022 to March 2023.

**Figure 2: Average arrears of customers accessing tailored assistance<sup>7</sup>**



**Figure 3: Average arrears of customers accessing tailored assistance**



<sup>7</sup> These figures are the averages across all months of each year and have not been adjusted for inflation. 2022–23 only includes data from the period July 2022 to March 2023.

## More customers are receiving government grants to help pay overdue energy bills

### Energy concessions

The Department of Families, Fairness and Housing provides an Annual Electricity Concession to consumers who have one of these concession cards<sup>8</sup>:

- Pensioner Concession Card
- Health Care Card
- Veterans' Affairs Gold Card

The concession is 17.5 per cent of electricity usage and service costs, after retailer discounts and solar credits have been deducted. This applies after the consumer pays the first \$171.60 of the annual bill.

Consumers with annual electricity bills over \$3,563, can apply for the Excess Energy Concession. It continues a concession on their electricity bill.

During the months between May and October, gas account holders can also receive a Winter Gas Concession, like the electricity concession. The gas concession is 17.5 per cent of gas usage and service costs, after retailer discounts are deducted. It applies after the consumer pays the first \$62.40 of their winter bill.<sup>9</sup> Consumers with bills over \$2,067 between May and October can apply for the Excess Gas Concession. It continues a concession on their gas bill.

To apply for an electricity or winter gas concession, a consumer must provide their concession card details to their energy retailer.

### Utility Relief Grants

In the nine months from July 2022 to March 2023, retailers submitted 100,763 Utility Relief Grant applications for their electricity and gas customers. This is a 28 per cent increase compared to the previous year (78,742 applications submitted from July 2021 to March 2022) (see Figure 4).

Each quarter in 2022–23 saw retailers submitting more Utility Relief Grant applications to the

department compared to the same quarters in 2021–22. This aligns with the increase in electricity and gas customers receiving retailer assistance in recent months.

As more customers request assistance from retailers, we expect to see retailers complying with payment difficulty framework obligations.

Retailers must ensure that information is readily available to residential customers about government and non-government assistance (including utility relief grants). They must also support eligible customers, who cannot afford their energy use's ongoing costs. This includes support to complete and submit Utility Relief Grant forms to receive a grant.

Energy consumers with the concession cards listed in the previous section, may also be eligible for a Utility Relief Grant. This grant helps pay an electricity, gas or water bill that is overdue due to temporary financial difficulty.

An account holder that is part of a low-income household may also be able to apply for a Utility Relief Grant, even if they do not have one of these cards.

Eligible account holders can apply for a grant through their retailer. Once the application form is completed, it must be lodged with the department for assessment. If a grant is approved, it is paid directly to the retailer who will credit that amount to the customer's account.

### Retailers must help customers apply for Utility Relief Grants

Retailers must provide advice about government and non-government assistance to all tailored assistance customers. This includes advice about Utility Relief Grants.

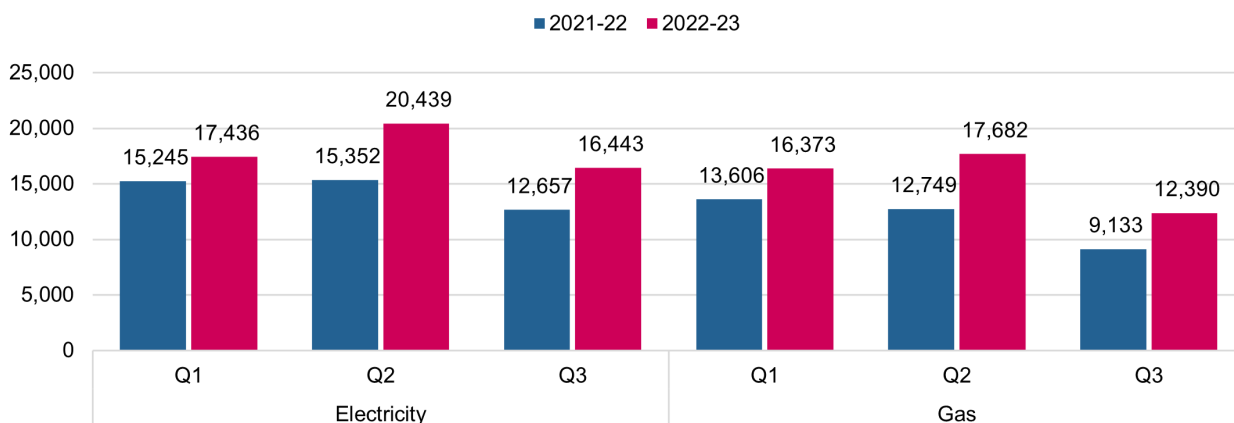
A retailer must provide practical assistance for tailored assistance customers who may be eligible for a Utility Relief Grant. This includes helping their customer to complete and submit their form.

<sup>8</sup> See the Victorian Government's website for more information about the [Annual electricity concession](#).

<sup>9</sup> See the Victorian Government's website for more information about the [Winter gas concession](#).



Figure 4: Utility Relief Grant applications completed and submitted



### More Utility Relief Grants approved

There were 22 per cent more Utility Relief Grants approved and credited into customers' accounts between July 2022 and March 2023, compared to the same time last year (86,482 between July 2022 to March 2023, compared to 70,796 between July 2021 to March 2022). This is a 20 per cent increase for electricity, and 25 per cent increase for gas.

The total value of grants to customers also increased – by eight per cent for electricity and 18 per cent for gas compared to the same period in 2021–22.

The average grant payment customers received was

lower. The average grant was \$362 for electricity and \$341 for gas, compared to \$402 for electricity and \$359 for gas in the same time in 2021–22.

### Multiple grant applications

A customer can apply for a grant multiple times in the two-year period, until they reach the payment threshold. The threshold is \$650 for electricity and \$650 for gas or \$1,300 for a customer with only a single source of energy.

Figure 5: Utility Relief Grant applications approved

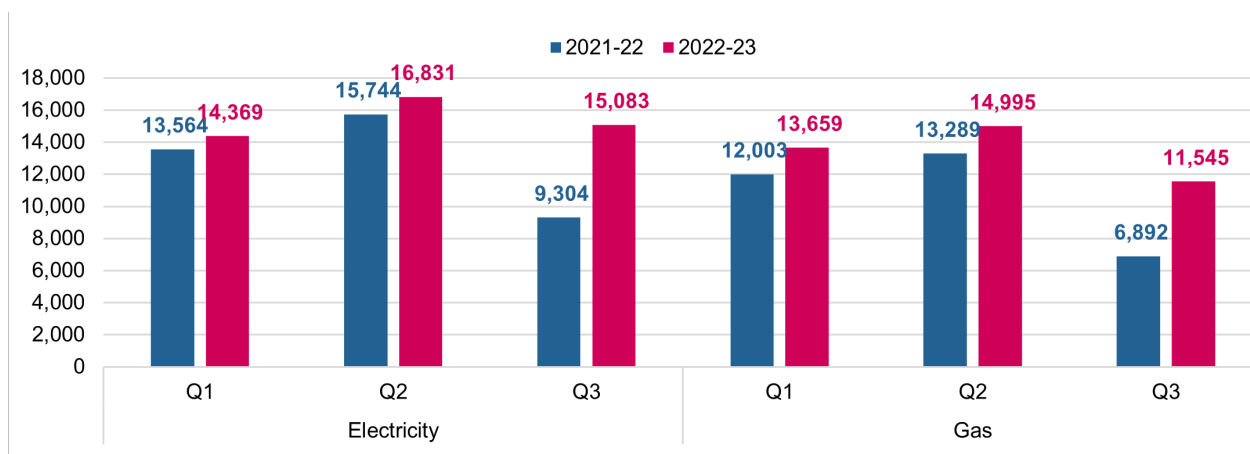
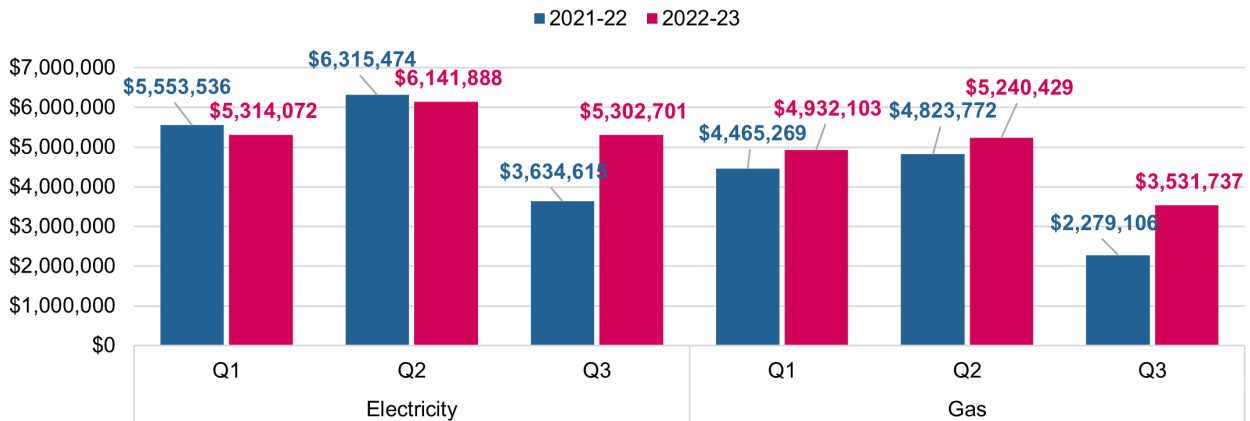


Figure 6: Utility Relief Grant amount paid



**Outcomes vary between retailers when completing grant applications**

Between January and March 2023, on average, 70 per cent of the Utility Relief Grants that retailers initiated, were submitted to the department. This is a decrease from the July to December 2022 period.

The retailer is responsible for initiating the application. However, either the retailer or the customer can submit the final completed application. One application can cover multiple grants.

A retailer initiating an application for a customer does not guarantee the customer will be eligible and receive the subsidy. This can be due to:

1. The customer not providing all the necessary information and documentation within 21-days. In that case, the registered application is automatically cancelled. In many cases the customer realises that they are not actually eligible and decides not to continue. In other cases, the customer may not have provided necessary information, even though they would have been eligible. We do not know what proportion of initially registered applications involved these customers.
2. The department assesses that the application is ineligible.

The department does not assess incomplete applications.

The percentage of applications that retailers register, customers complete and the department finds eligible varies across retailers (see Figure 7).

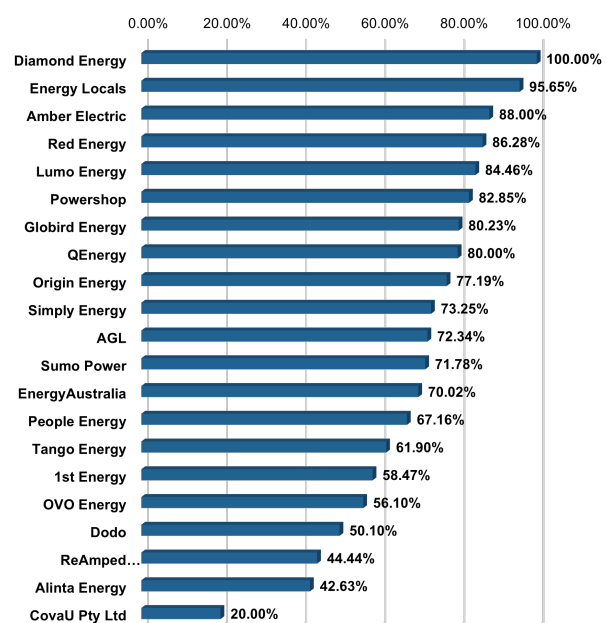
These results are close to what we found in our recent Payment Difficulty Framework implementation review. Customers may experience different outcomes depending on their retailer. Differences between

retailer processes may explain this. However, it could also indicate that retailers have different levels of effectiveness, particularly when helping customers complete Utility Relief Grant applications or helping customers identify whether they are eligible.

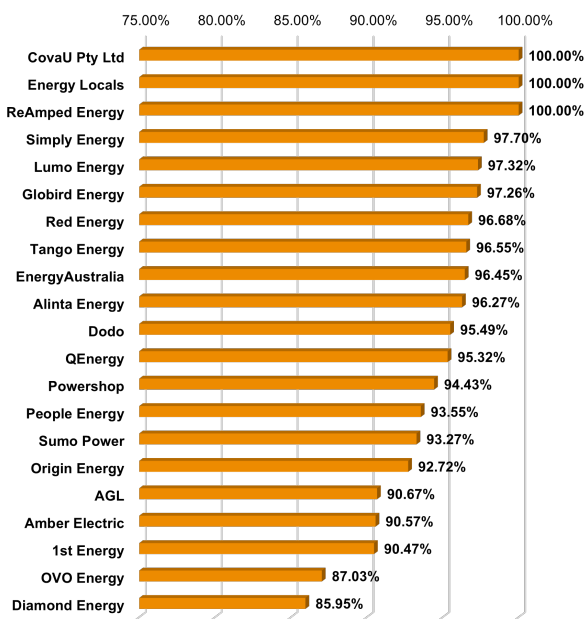
Helping fill out and complete Utility Relief Grant applications is an important and useful way to assist customers experiencing payment difficulty. Approval rates for grant applications are high – the department approves at least 85 per cent of submitted applications (see Figure 8).

We will be closely monitoring retailers' compliance with these important obligations.

Figure 7: Percentage of Utility Relief Grants completed and submitted (electricity)



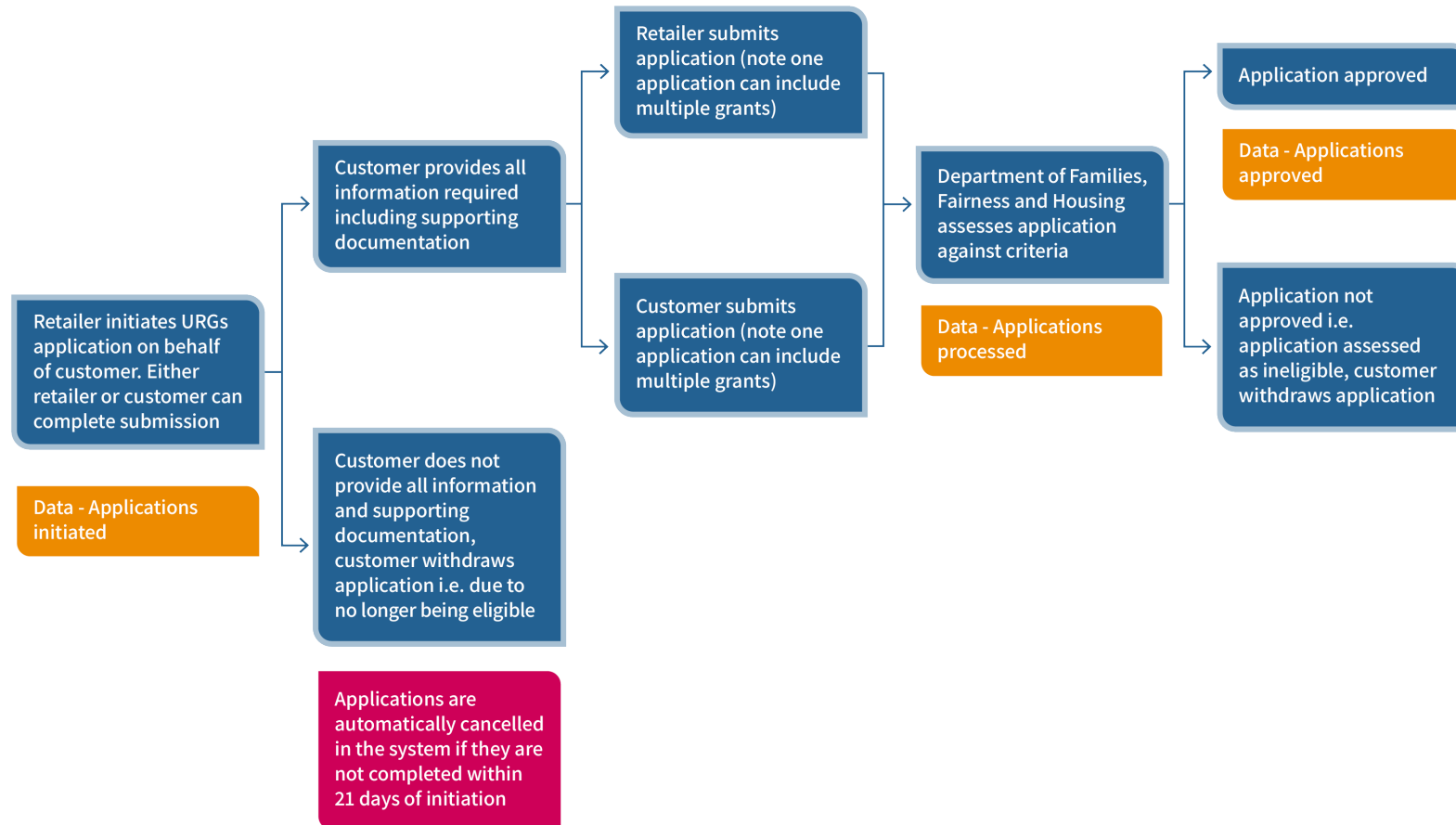
**Figure 8: Percentage of completed Utility Relief Grants approved (electricity)**



### How are Utility Relief Grant forms processed?

Eligible customers can apply for a grant through their retailer. Once the application form is completed, it must be lodged with the department for assessment. Either the retailer or customer can submit the completed application (including all information and required documentation). It is important the retailer ensures the customer knows they have 21 days to complete the application. Approved grants are paid directly to the retailer who will credit that amount to the customer's account.

Figure 9: Steps to request a Utility Relief Grant





## Disconnections for non-payment

Some retailers have continued to disconnect residential customers for non-payment.

Disconnection can have severe impacts on customers' financial and emotional well-being. Disconnecting a customer for non-payment should be a last resort. We strongly encourage customers and retailers to engage early and effectively engagement where a customer appears at risk of disconnection for non-payment.

From January to March 2023, 2,607 residential electricity customers were disconnected for non-payment – slightly higher than in October to December 2022 (2,372) (see Figure 10).

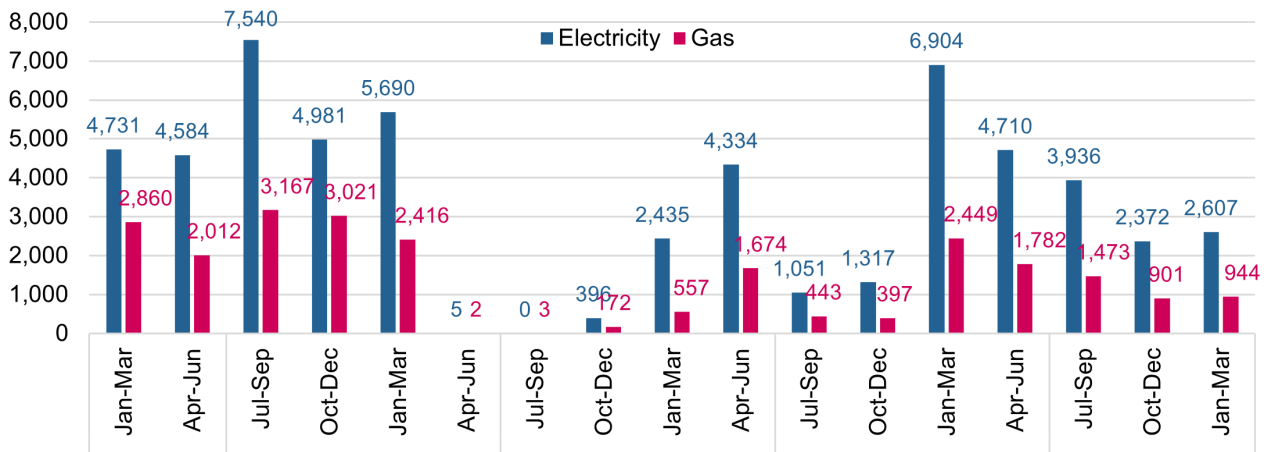
Despite the increase this quarter, total disconnections in 2022–23 so far are less than when the Payment Difficulty Framework began in 2019. Disconnections also decreased from February until December 2022.

We continue to monitor disconnection trends. We also engage directly with energy businesses where we have concerns about their disconnection processes.

Customers receiving assistance from a retailer are protected from being disconnected.

Customers should still engage with their retailers to receive assistance, and retailers should work with their customers to help them manage their energy debt.

Figure 10: Average arrears of customers accessing tailored assistance



## Market entry and exit

### Our role in licensing energy businesses

The Essential Services Commission grants licences to energy businesses to operate in the Victorian energy market. This includes licensing:

- electricity and gas retailers
- electricity generators
- electricity and gas distributors
- electricity transmission companies.

### Distribution, transmission and generation licences

We did not grant any generation, distribution or transmission licences between January and March 2023.

### Energy retail licences

We did not grant any energy retail licences between January and March 2023.

We issued Ampol Energy (Retail) Pty Ltd with electricity and gas retail licences to sell to small, medium and large customers in Victoria on 12 April 2023.

### Licence variations and revocations

We varied ReAmped Energy Pty Ltd's electricity and gas retail licences on 11 January 2023 to make minor administrative updates. ReAmped Energy Pty Ltd agreed to the variations.

We revoked Powerdirect Pty Ltd's electricity retail licence effective from 4 April 2023. Powerdirect Pty Ltd agreed to the revocation.

We varied Tango Energy Pty Ltd's electricity and gas retail licences on 20 April 2023. These variations updated the licensee's legal name to Pacific Blue Retail Pty Ltd. Tango Energy Pty Ltd agreed to the variation.

We varied Mortlake South Wind Farm Pty Ltd's electricity generation licence on 30 May 2023. The variations were to correct address details of the licensed generation facilities and to update other licence conditions to reflect recent amendments to standard conditions. Mortlake South Wind Farm Pty Ltd agreed to the variation.

### Retailer of Last Resort events

We administer the Retailer of Last Resort scheme in Victoria. The scheme protects Victorian energy consumers when their energy retailer goes out of business. Customers are transferred from the failed retailer to a 'Retailer of Last Resort' to make sure that their energy supply continues.

There were no Retailer of Last Resort events between January and March 2023.

On 16 June 2023, QEnergy Limited (QEnergy) triggered a Retailer of Last Resort event. On 21 June 2023, Mojo Power East Pty Ltd (Mojo Power East) triggered a Retailer of Last Resort event.

QEnergy and Mojo Power East are part of the ION Holdings group. On 15 June 2023, receivers were appointed for the ION Holdings group of companies.

Approximately, 4,000 Mojo Power East customers and 4,000 QEnergy customers were transferred to the three retailers of last resort. This meant that their electricity supply continued without interruption.

### Regulatory sandboxing

Victoria's regulatory sandboxing framework for the energy market commenced on 1 June 2022. The framework:

- enables innovators to trial new products and services in a controlled setting for a time-limited period
- helps inform future changes to the energy rules on a more permanent basis.

We work closely with the Australia Energy Regulator (AER) to respond to Victorian enquiries received through the Innovation Enquiry Service.<sup>10</sup>

<sup>10</sup> See the Australian Government's website for more information about the [Energy Innovation Toolkit](#).

The Innovation Enquiry Service is part of the Energy Innovation Toolkit. The toolkit is a free service the AER offers in collaboration with the Australian Energy Market Commission, the Australian Energy Market Operator, the Australian Renewable Energy Agency, and the commission. The toolkit helps potential new market participants understand energy regulation, explore options to launch their energy business under current frameworks, and get clear guidance.

We have not received any trial waiver applications since the framework commenced. However, we have provided information and assistance to persons with enquiries about products and services that related to the regulatory sandbox framework.

On 27 February 2023, the AER published its first consultation for a trial waiver application regarding a proposal in New South Wales.<sup>11</sup>

## Electricity licence exemptions

We administer the General Exemption Order 2022. The General Exemption Order 2022 took effect on 1 January 2023 (replacing the General Exemption Order 2017). The order exempts a range of persons from needing to have an electricity licence in Victoria.

Many exemptions must be registered with us. These include exemptions for selling and supplying electricity in embedded networks.

We registered 43 electricity licence exemptions between 1 January 2023 and 31 March 2023.

<sup>11</sup> See the Australian Government's website for more information about the [Consultation Notice - Endeavour Energy - Trial Waiver Application - 2023](#).

# Demystifying green energy offers





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*Green energy offers are complex, pricing is unclear and it can be hard for consumers to choose*

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Many Victorian consumers want to support the energy transition and in the last couple of years, more Victorian consumers have been choosing environmentally conscious or 'green' energy options. These options are complex. They can be hard to navigate and confusing for some consumers.

We have put together some practical information on green energy options to help consumers make an informed choice. It explains common green energy options, shows the difficulty in comparing prices and highlights the cheaper and more expensive options.

Retailers must ensure that their green energy offers do not mislead consumers who are seeking to purchase green energy options.

### **The two most common green energy offers**

The two most common options are GreenPower and plans marketed as 'carbon neutral'. GreenPower products have a clear additional cost. However, there are significant price differences. Some retailers charge up to \$284 more per year than others, for the same GreenPower product (see Table 1).

For plans marketed as carbon neutral, retailers often bundle the cost into their energy offers. For retailers who include an explicit charge for a carbon neutral plan, this can cost between \$26 and \$78 per year.

When making a decision about a green energy offer, consumers must decide:

1. between GreenPower or carbon neutral,
2. how much of their usage to source from green energy, and
3. the additional cost to their total bill from the green option.

These choices are complex and make it difficult to compare value for money across these products.

### **All Victorian electricity consumers contribute to the energy transition**

All Victorian electricity plans use some renewable energy sources and contribute to greenhouse gas emission reductions. GreenPower, plans marketed as carbon neutral and even plans that do not include a specific green product all use some renewable energy.

There are several reasons for this.

First, Commonwealth and State government schemes (the Renewable Energy Target and the Victorian Energy Upgrades program) require electricity retailers to meet targets for renewable energy and greenhouse gas emissions reduction.<sup>1</sup>

Retailers include the cost for these schemes in all consumers' electricity bills. Consumers that choose an electricity plan with a GreenPower option are paying an extra amount to achieve and exceed the minimum national targets of renewable energy.

Second, the National Electricity Market (NEM) has existing renewable generation capacity, including solar, wind and hydro. In 2021–22, 34 per cent of electricity generation in Victoria came from renewable sources.

Retailers purchase wholesale electricity from the NEM. This means consumers may receive more renewable energy than the minimum requirements set by government schemes.

Also, the electricity that generators dispatch into the NEM is pooled. The grid cannot direct electricity from a specific generator to a specific customer.

This means two customers may receive energy from the same source, even though one has 100 per cent GreenPower and the other has a generic plan.

### Victorian renewable energy generation share is growing

The share of renewable energy in Victoria has almost tripled in seven years.

Renewable electricity generation in Victoria has grown from 11.6 per cent in 2014–15 to 34.1 per cent in 2021–22 (See Figure 1).

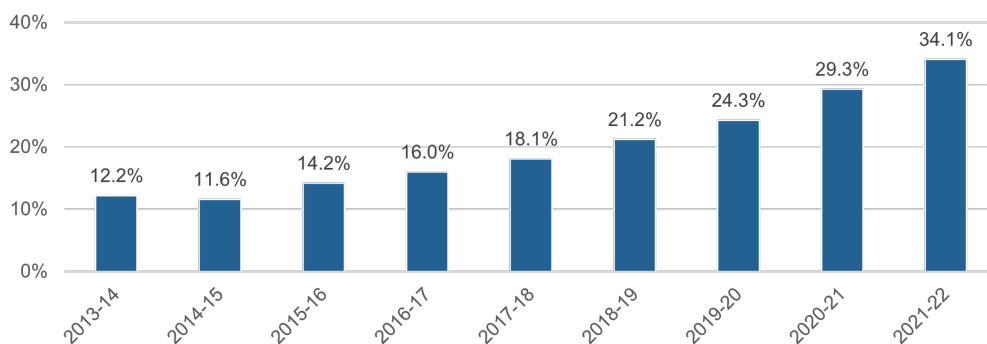
## Consumers on 100 per cent GreenPower are currently paying for more than 100 per cent renewable electricity

The Renewable Power Percentage under the Renewable Energy Target (RET) scheme in 2023 is 18.96 per cent.

GreenPower is additional to the RET scheme. The GreenPower program review noted that 'in 2022, a 100 per cent GreenPower customer will be paying for 18.64 per cent under the RET and 100 per cent GreenPower, adding up to a total of 118.64 per cent renewable electricity.'<sup>2</sup>

The review explores options to change this situation and recognise the RET as part of the 100 per cent renewable plans. The program review timeline suggests changes will be implemented for 1 January 2024.

Figure 1: Victorian renewable electricity generation share



Source: Victorian Renewable Energy Target 2021–22 report

<sup>1</sup> The Renewable Energy Target (RET) that was introduced by the Australian government in 2001 designed to reduce emissions of greenhouse gases in the electricity sector and encourage the additional generation of electricity from sustainable and renewable sources. The Clean Energy Regulator administers the program and sets annual targets for the proportion of electricity to be generated from renewable sources.

The Victorian Energy Upgrades program provides discounted energy-efficient products and services to help Victorians reduce their energy bills and greenhouse gas emissions. Energy retailers are required to acquire and surrender Victorian Energy Efficiency Certificates (VEECs) to meet annual targets set in Victorian legislation, which are created by accredited businesses undertaking energy-efficient upgrades for households and businesses. The cost of acquiring these certificates is also passed on to consumers through their energy bills. Each VEEC represents one tonne of greenhouse gas emissions reduction.

<sup>2</sup> 'Program Review 2022: Consultation paper', GreenPower, 2022.

## GreenPower and carbon neutral are two common options for consumers

GreenPower products and plans marketed as carbon neutral are the two main choices for Victorians searching for a more environmentally conscious electricity option.

If a consumer chooses a 50 per cent GreenPower option, more than 50 per cent of their energy will be from Australian renewable sources.<sup>3</sup>

Plans marketed as carbon neutral can combine carbon offsets with non-renewable energy to balance out emissions. Offsets might come from Australia or overseas.

### How 'GreenPower' works

GreenPower is a government accredited renewable energy product.<sup>4</sup> Retailers that offer GreenPower products charge an extra cost.

Adding GreenPower to an electricity plan is a way for consumers to choose for part or all of their electricity to be supplied from an Australian renewable source.

GreenPower accredits retailers to purchase certificates from accredited solar, wind, and hydro electricity generators. Each certificate represents one megawatt-hour of renewable electricity. Retailers buy enough certificates to match the amount of renewable

energy their customers chose. Retailers then surrender the certificates to the Clean Energy Regulator.

The GreenPower program encourages large scale investment in renewable energy generation in Australia. The program requires retailers to purchase renewable electricity certificates to match residential and small businesses consumption based on their GreenPower option. The program currently requires renewable energy purchases above the minimum amount required under the RET.<sup>5</sup>

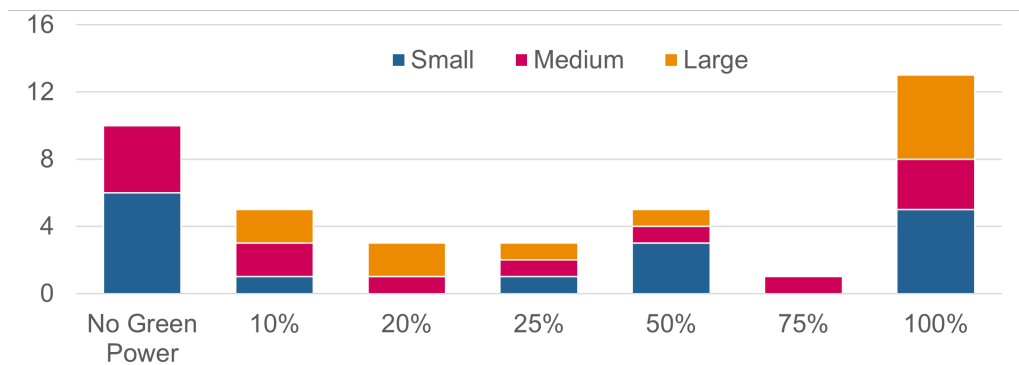
This encourages growth in consumer demand for renewable energy and facilitates installation of new renewable energy generators.

### GreenPower certification

GreenPower is a joint initiative between Australian Capital Territory, New South Wales, South Australian, West Australian and Victorian government agencies to accredit renewable electricity.

Energy retailers selling GreenPower products are regularly and independently audited to confirm the renewable energy certificates they purchase are valid.

Figure 2: Number of retailers offering each GreenPower product by retailer size, March 2023<sup>6</sup>



Source: Retailers' energy offer fact sheets

<sup>3</sup> Generic electricity plans include some renewable energy to comply with government schemes (e.g. RET) that aim to incentivise investment in renewable energy. Further, retailer wholesale electricity purchasing practices may mean that generic plans include more than the minimum set by government scheme.

<sup>4</sup> The GreenPower program is governed by the National GreenPower Steering Group (NGPSG), which comprises the State Governments of New South Wales, Victoria, South Australia and the Australian Capital Territory; with Queensland currently an observer. GreenPower independently audits electricity providers to make sure the right amount of renewable energy is fed into the grid on the customers' behalf. See the GreenPower website for more information about [renewable energy](#).

<sup>5</sup> Please see the pop-out box on the preceding page titled "Consumers on 100 per cent GreenPower are currently paying for more than 100 per cent renewable electricity" for more detail.

<sup>6</sup> The analysis includes 25 retailers. Each retailer trading name displayed on the Victorian Energy Compare website with an electricity offer is counted as a retailer. The analysis does not include ReAmped Energy Pty Ltd as this retailer is not currently taking on new customers. The same retailer may be counted in multiple GreenPower options. For example, a retailer offering 10, 25, 50, 75 and 100 per cent GreenPower will be counted once in each option.

Retailers provide consumers options to have 10, 20, 25, 50, 75 or 100 per cent of their electricity from GreenPower.

Retailers who are GreenPower accredited provide one or more percentage options. Most retailers provide the 100 per cent GreenPower option. Figure 2 shows five large, three medium, and five small retailers who offer 100 per cent GreenPower.

All large retailers offer GreenPower products. Fifty per cent of medium and 45 per cent of small retailers offer GreenPower. This situation might indicate that large retailers can better access, negotiate, and fund a range of renewable generation sources.

### How plans marketed as ‘carbon neutral’ work

Plans that are marketed as carbon neutral are where a retailer offsets the greenhouse gas emissions resulting from non-renewable energy.

Retailers purchase offset units from projects that claim to reduce or remove greenhouse gas emissions.<sup>7</sup>

Projects generating offset units may include renewable electricity generators, such as large scale solar and wind farms.

Some non-energy projects also generate carbon offset units such as:

- revegetation
- carbon capture
- cattle management.

These projects can be based anywhere in the world.

### Climate Active

Climate Active certification is one way that businesses have sought to signal the credibility of their carbon neutral plans.

Plans marketed as carbon neutral do not need Climate Active certification.

In Victoria, thirteen retailers offer plans marketed as carbon neutral. Eight of them have Climate Active certifications. Five retailers offer plans marketed as carbon neutral with no certification (see Figure 3).<sup>8</sup>

**Figure 3:** Number of Climate Active certified retailers, May 2023



Source: Climate Active retailers’ websites

### Climate Active certification

Climate Active is a partnership between the Australian Government and Australian businesses to drive voluntary climate action.

Climate Active supports and guides businesses as they account for and reduce carbon emissions. Climate Active certification requires public reporting on:

- greenhouse gas emissions
- emissions reduction strategies
- proof of offset units.

### Searching ‘green’ options is difficult for consumers

Our research has found that it is hard for consumers to compare green energy offers. Searching and comparing ‘green’ options can be confusing and lack transparency.

Retailers market renewable energy offers and carbon neutral offers in different ways, even for similar products.

This makes it difficult for consumers to compare retailers.

The Victorian Energy Compare website is a good place for energy consumers to start finding a GreenPower accredited offer. The website allows customers to filter green offers. It does not differentiate between GreenPower and other types of green offers.

<sup>7</sup> Offset units refer to the removal or avoidance of one tonne of carbon dioxide equivalent emissions.

<sup>8</sup> Diamond Energy Pty Ltd, Energy Locals Pty Ltd, Arcline by RACV– Energy (trading under Energy Locals Pty Ltd), GloBird Energy Pty Ltd and Amber Electric Pty Ltd currently offer plans marketed as carbon neutral without Climate Active certification.

It would further assist consumers, if the website helped them to compare the add-on cost for specific percentage GreenPower levels across retailers, alongside the annual bill.

Minimising GreenPower costs as well as the annual bill adds further complexity. However, it is important to consider the lowest bill including any GreenPower add-on cost. Not just the lowest GreenPower cost.

Other green options, such as carbon neutral plans or retailers that brand themselves as green, often do not have transparent pricing. They may include the cost in the bill without clearly indicating how much they charge for the green component.

### It's hard to compare prices

GreenPower products' clear additional cost may make them seem more expensive than plans marketed as carbon neutral, which generally do not list an additional cost.

Retailers usually bundle the carbon neutral cost into an offer. This makes it hard to separate from the overall price (eight of the thirteen retailers offering plans marketed as carbon neutral bundle the cost this way).

Consumers who want to understand what they are buying may find comfort in GreenPower products' clearer additional costs.

### Consumers can pay up to \$284 more for the same additional contribution to emissions reduction

Consumers can pay up to \$284 more every year for the same contribution to emissions reduction, depending on the retailer they choose.

It is important to note that our analysis compares the add-on cost for each GreenPower option. It does not compare the total annual bill.

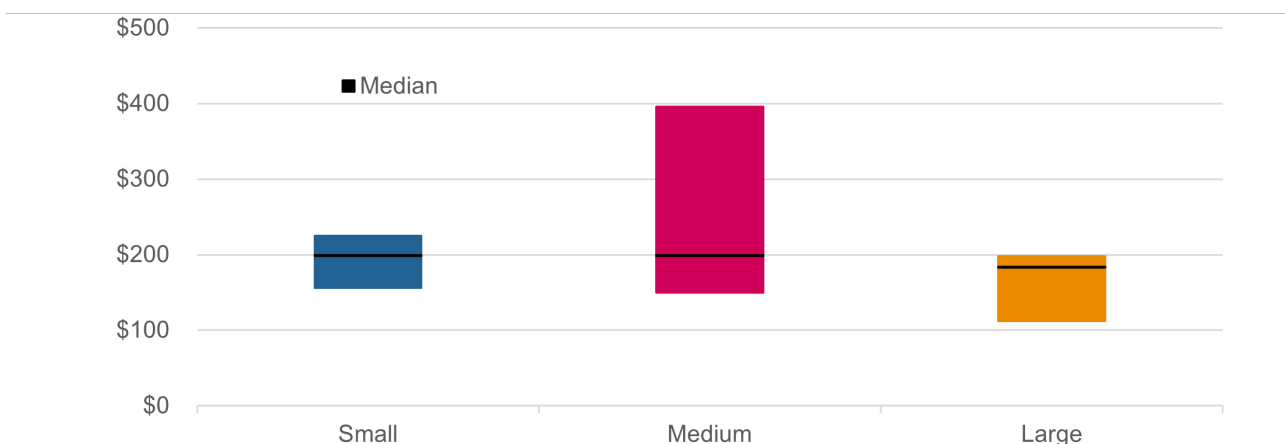
Table 1 shows the price difference for GreenPower options (as at March 2023). Retailers charged between 0.39 and 0.99 cents/kWh for 10 per cent GreenPower, between 1.4 and 2.75 cents/kWh for 50 per cent GreenPower and between 2.8 and 9.9 cents/kWh for 100 per cent GreenPower. The annual cost of 100 per cent GreenPower for an average household ranged between \$112 and \$396.<sup>9</sup>

This means the retailer with the highest GreenPower costs charged their 100 per cent GreenPower customers \$284 more than the retailer with the lowest cost for the same contribution. This is on top of electricity consumption costs.

Retailer size plays a part in the price differences. Figure 4 shows the price range for 100 per cent GreenPower across small, medium and large retailers.

Large energy retailers generally price their offers higher than small and medium retailers. However, for GreenPower large retailers have the lowest maximum, median and minimum prices. Also, there is a medium retailer charging far higher than most others.

**Figure 4:** Additional yearly cost for 100 per cent GreenPower by retailer size, March 2023



Source: Retailers' energy offer fact sheets

<sup>9</sup> This article standardised the extra cost of GreenPower to an annual amount that a customer would incur by selecting a GreenPower option. It is assumed that an average household consumes 4000 kWh of electricity annually.

**Table 1: Additional costs, by GreenPower option<sup>10</sup>**

10% GreenPower		50% GreenPower		100% GreenPower	
Energy Locals	0.39 c/kWh	Origin Energy	1.40 c/kWh	Origin Energy	2.80 c/kWh
Lumo Energy	0.48 c/kWh	Energy Locals	1.95 c/kWh	Powershop Australia	3.74 c/kWh
EnergyAustralia	0.50 c/kWh	CovaU	2.20 c/kWh	Energy Locals	3.90 c/kWh
Momentum Energy	0.50 c/kWh	Momentum Energy	2.48 c/kWh	CovaU	4.40 c/kWh
Dodo Power & Gas	0.99 c/kWh	Diamond Energy	2.75 c/kWh	AGL	4.40 c/kWh
				Simply Energy	50 c/day
				Red Energy	4.84 c/kWh
				Momentum Energy	4.95 c/kWh
				EnergyAustralia	4.95 c/kWh
				Ovo Energy	4.95 c/kWh
				Diamond Energy	5.50 c/kWh
				Amber Electric	5.62 c/kWh
				Dodo Power & Gas	9.90 c/kWh
<b>Difference between the highest and the lowest GreenPower costs (\$/year)</b>					
\$24		\$54		\$284	
<b>Number of GreenPower offers at each percentage</b>					
5		5		13	

Source: Retailers' energy offer fact sheets

## Carbon neutral prices

Most retailers do not include specific pricing for offers marketed as carbon neutral. Instead, they include the cost in the bill.

Two large retailers, AGL and Origin, do include an additional charge for carbon neutral. AGL charges \$52 and \$26 for electricity and gas per year. Origin charges \$78 and \$52 per year. Together, they have about 40 per cent of residential electricity and gas customers.

This makes it hard to compare plans marketed as carbon neutral between retailers, and even harder to compare carbon neutral to GreenPower.

## GreenPower take up is on the rise

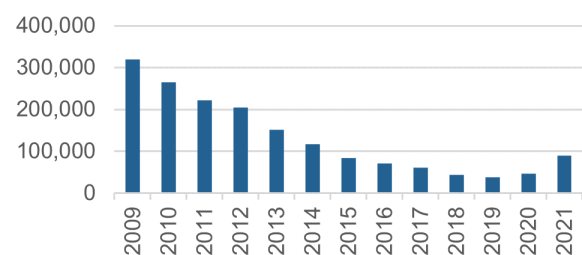
After a decade of reductions, the past two years have seen more Victorian consumers add GreenPower to their electricity plans.

Figure 5 shows that in 2021, 90,267 Victorian consumers had some level of GreenPower. In 2009 this was 319,241.

Two potential explanations for the decline include<sup>11</sup>:

- Plans marketed as carbon neutral, which consumers may see as a low-cost alternative to GreenPower
- residential solar increasing significantly.

**Figure 5: Victorian residential consumers enrolled in GreenPower<sup>12</sup>**



Source: GreenPower

<sup>10</sup> In this table, we exclude the 20, 25 and 75 per cent GreenPower options due to small number of observations to indicate meaningful price differences.

Retailers' GreenPower charges can take the form of usage-based rates (c/kWh) or fixed charges (\$/day or \$/week). GreenPower options with fixed charges offer higher bill certainty, and consumers with higher consumption than average may benefit more from these options compared to opting in GreenPower options with variable charges.

<sup>11</sup> 'Program Review 2022: Consultation paper', GreenPower, 2022.

<sup>12</sup> GreenPower customer numbers are aggregated across the options with no further detail available on the number of customers at each percentage level.

## More scrutiny on green claims

The energy transition is underway in Australia. As the economy deals with this change “trust is an essential element in the workings of any fair and efficient market.”<sup>13</sup>

More broadly, Australian Securities and Investments Commission (ASIC) and the Australian Competition and Consumer Commission (ACCC) are acting to safeguard consumers’ interests. They are scrutinising corporate governance practices and examining whether product offerings are as ‘green’ as claimed. They are acting on ‘greenwashing’, recognising that false or misleading claims can harm consumers.<sup>14</sup>

Academic research and media reports on carbon neutrality have also highlighted potential issues concerning:

- credibility of claims
- questionable projects
- measurement issues.<sup>15</sup>

Retailers must ensure that their green energy offers do not mislead consumers who are seeking to purchase green energy options.

## Conclusion

It is encouraging that Victorian consumers want to purchase ‘green’ energy products to support the energy transition, and that retailers offer these options.

However, as our analysis shows, Victorian consumers can face difficulties selecting a green energy offer, and prices vary significantly for the same green energy product.

The Victorian Energy Compare website is a good place to start comparing different retailers to find the most suitable green energy offer. Retailers’ websites have more detail on different green energy options’ costs.

It is important to consider the total proportion of green energy the plan provides (including the proportion of green energy implicit in all Victorian plans) and the bill’s total cost (including the GreenPower or carbon neutral add-on).

<sup>13</sup> See ASIC’s website for more information about the [greenwashing security](#).

<sup>14</sup> See the ACCC’s report for more information about the [ACCC’s internet sweep of environmental claims](#) and ASIC’s report for their [recent greenwashing interventions](#).

<sup>15</sup> ‘These companies are certified carbon neutral. But that may not mean what you think it does.’, [ABC News](#), accessed on 5 May 2023;

Dhanda, K. K. and Hartman, L. P. (2012) The Ethics of Carbon Neutrality: A Critical Examination of Voluntary Carbon Offset Providers, *Journal of Business Ethics*, 100(1), 119-149;

Macintosh, A., Butler, D., Ansell, D. (2022) Measurement Error in the Emissions Reduction Fund’s Human-induced Regeneration (HIR) Method. The Australian National University, Canberra.

# Appendix 1:

- Energy in Victoria

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## Appendix 1: Many more customers experiencing payment difficulty and Disconnections for non-payment

The tables and figures below provide supplementary information for the sections on ‘Many more customers experiencing payment difficulty’ and ‘Disconnections for non-payment’. The following data is sourced from the Compliance and Reporting Guideline submissions from energy retailers.

**Table 1: Residential disconnections for non-payment by monthly averages<sup>1</sup>**

	Monthly average				Average per month						
	2019	2020	2021	2022	Jul- Sep 2021	Oct- Dec 2021	Jan- Mar 2022	Apr- Jun 2022	Jul- Sep 2022	Oct- Dec 2022	Jan- Mar 2023
Electricity	1,820	508	761	1,494	350	439	2,301	1,570	1,312	791	869
Gas	922	216	256	550	148	132	816	594	491	300	315

**Table 2: Number of customers affected by self-reported wrongful disconnections by retailers<sup>2</sup>**

Retailer	Total customers affected	
	October to December 2022	January to March 2023
AGL Sales Pty Ltd	5	8
Alinta Energy Retail Sales Pty Ltd	nil	1
Amber Electric Pty Ltd	1	2
M2 Energy Pty Ltd (Dodo)	1	nil
EnergyAustralia Pty Ltd	4	3
GloBird Energy Pty Ltd	1	nil
Momentum Energy Pty Ltd	1	nil
Origin Energy Electricity Limited and Origin Energy (Vic) Pty Limited	86	2
OVO Energy Pty Ltd	1	1
Powershop Australia Pty Limited	3	nil
Shell Energy Retail Pty Ltd	1	nil
IPower Pty Limited & IPower 2 Pty Limited (Simply Energy)	1	2
Sumo Power Pty Ltd	nil	2
<b>Total</b>	<b>105</b>	<b>21</b>

<sup>1</sup> The monthly average includes months where no disconnections occurred during the restriction periods of the COVID-19 pandemic.

<sup>2</sup> This data represents the current figures as at 28 April 2023 for wrongful disconnection payments made to customers between October 2022 and March 2023. Figures may have changed for previous periods as a result of ongoing reporting by retailers in respect of prior periods and associated reconciliation of data. It excludes wrongful disconnections disputes referred to us by EWOV.

**Table 3:** Compensation paid in relation to self-reported wrongful disconnections<sup>3</sup>

Retailer	Total wrongful disconnection amount paid	
	October to December 2022	January to March 2023
AGL Sales Pty Ltd	\$2,102	\$4,383
Alinta Energy Retail Sales Pty Ltd	nil	\$1,000
Amber Electric Pty Ltd	\$100	\$150
M2 Energy Pty Ltd (Dodo)	\$5,033	nil
EnergyAustralia Pty Ltd	\$10,617	\$7,081
GloBird Energy Pty Ltd	\$125	nil
Momentum Energy Pty Ltd	\$46	nil
Origin Energy Electricity Limited and Origin Energy (Vic) Pty Limited	\$112,024	\$3,536
OVO Energy Pty Ltd	\$83	\$3,439
Powershop Australia Pty Limited	\$775	nil
Shell Energy Retail Pty Ltd	\$38	nil
IPower Pty Limited & IPower 2 Pty Limited (Simply Energy)	\$492	\$697
Sumo Power Pty Ltd	nil	\$3,950
<b>Total</b>	<b>\$131,435</b>	<b>\$24,236</b>

**Table 4:** Residential Tailored Assistance customers, as at 31 March 2023

	Electricity		Gas	
	Residential tailored assistance customers	% of residential electricity customers	Residential tailored assistance customers	% of residential gas customers
Can pay ongoing usage	43,742	1.6	35,905	1.7
Cannot pay ongoing usage	23,671	0.8	19,510	0.9
<b>Total</b>	<b>67,413</b>	<b>2.4</b>	<b>55,415</b>	<b>2.6</b>

**Table 5:** Average arrears of residential Tailored Assistance customers, as at 31 March 2023

	Electricity		Gas	
	Average arrears of residential tailored assistance customers	% increase from 2021-22 monthly average	Average arrears of residential tailored assistance customers	% increase from 2021-22 monthly average
Can pay ongoing usage	\$733	+1%	\$563	+0.4%
Cannot pay ongoing usage	\$1,781	-5%	\$1,361	-5%
<b>Total</b>	<b>\$1,101</b>	<b>-0.2%</b>	<b>\$844</b>	<b>-0.5%</b>

<sup>3</sup> This data represents the current figures as at 28 April 2023 for wrongful disconnection payments made to customers between October 2022 and March 2023. Figures may have changed for previous periods as a result of ongoing reporting by retailers in respect of prior periods and associated reconciliation of data. It excludes wrongful disconnections disputes referred to us by EWOV.

Figure 1: Residential disconnections for non-payment by month, 2021 to 2023<sup>4</sup>

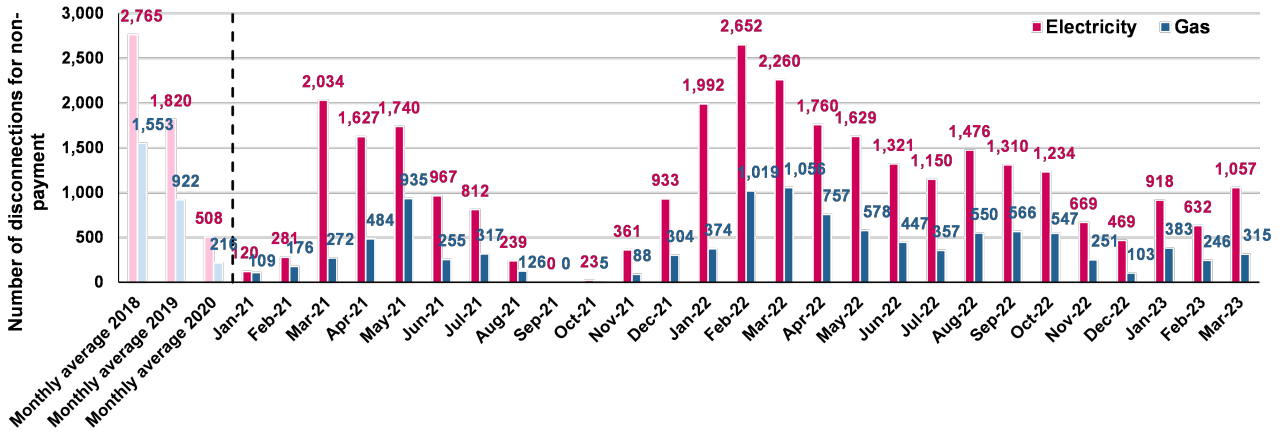


Figure 2: Residential disconnections for non-payment by year, 2018 to 2023<sup>5</sup>

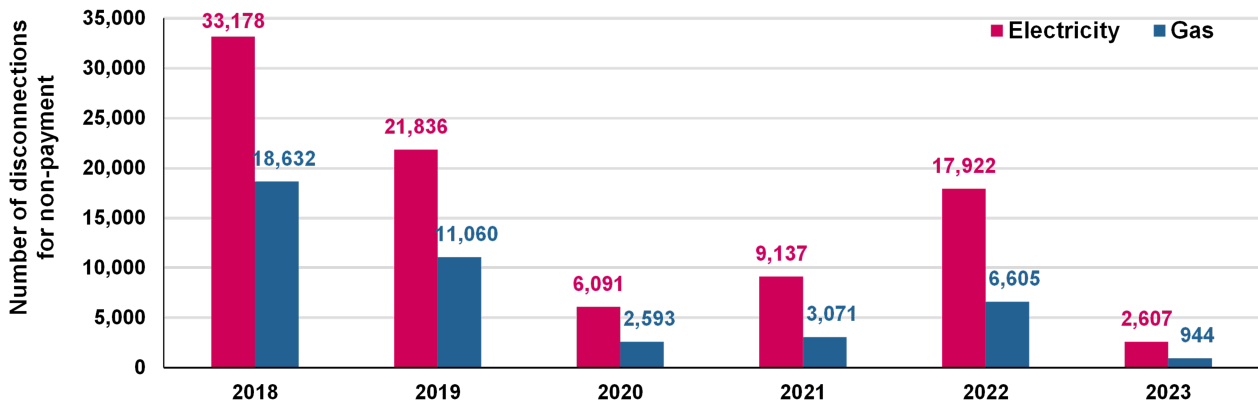
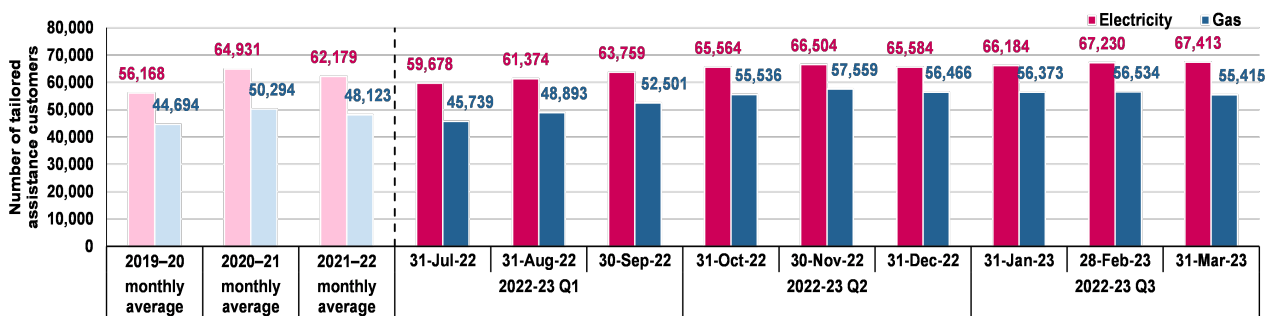


Figure 3: Residential customers receiving tailored assistance (total)



<sup>4</sup> The monthly average includes months where no disconnections occurred during the restriction periods of the coronavirus pandemic.

<sup>5</sup> 2023 only includes data from the period January to March 2023.

Figure 4: Residential customers receiving tailored assistance (can pay ongoing usage)

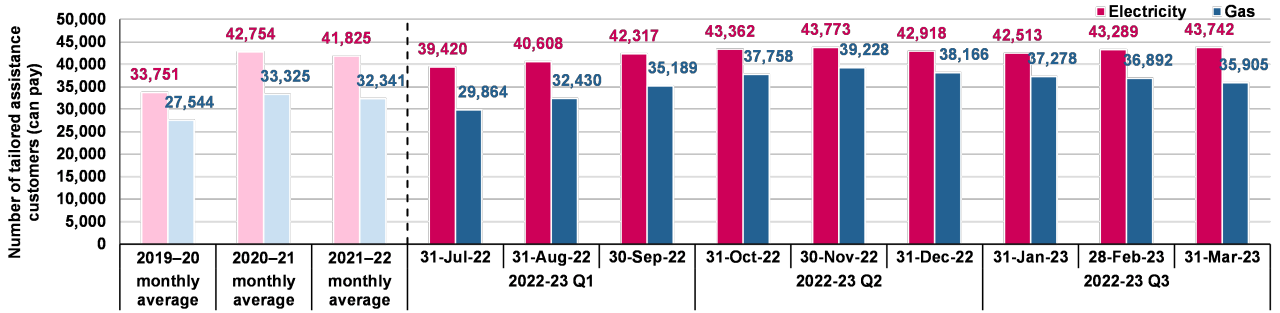


Figure 5: Residential customers receiving tailored assistance (cannot pay ongoing usage)

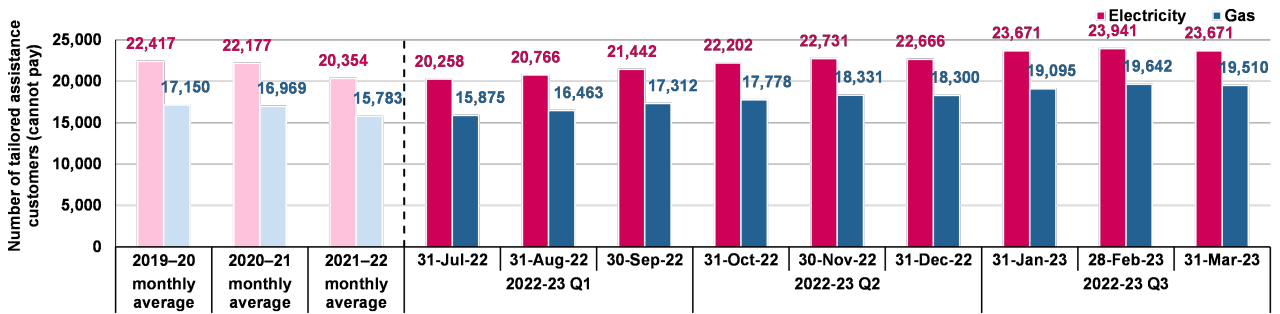


Figure 6: Average arrears for residential customers receiving tailored assistance (total)

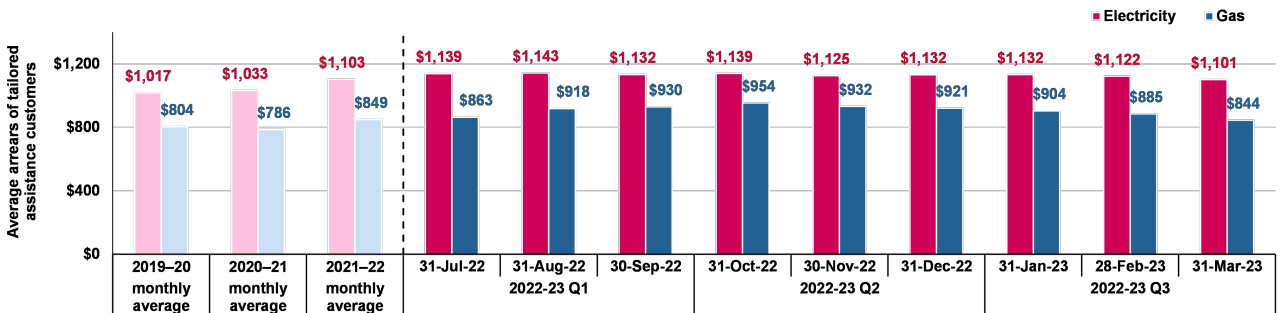
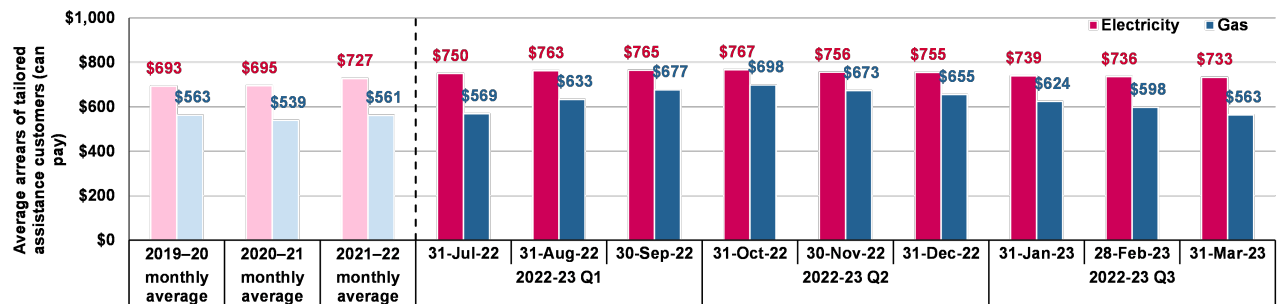


Figure 7: Average arrears for residential customers receiving tailored assistance (can pay ongoing usage)



**Figure 8: Average arrears for residential customers receiving tailored assistance (cannot pay ongoing usage)**

