VICTORIAN

Energy Market

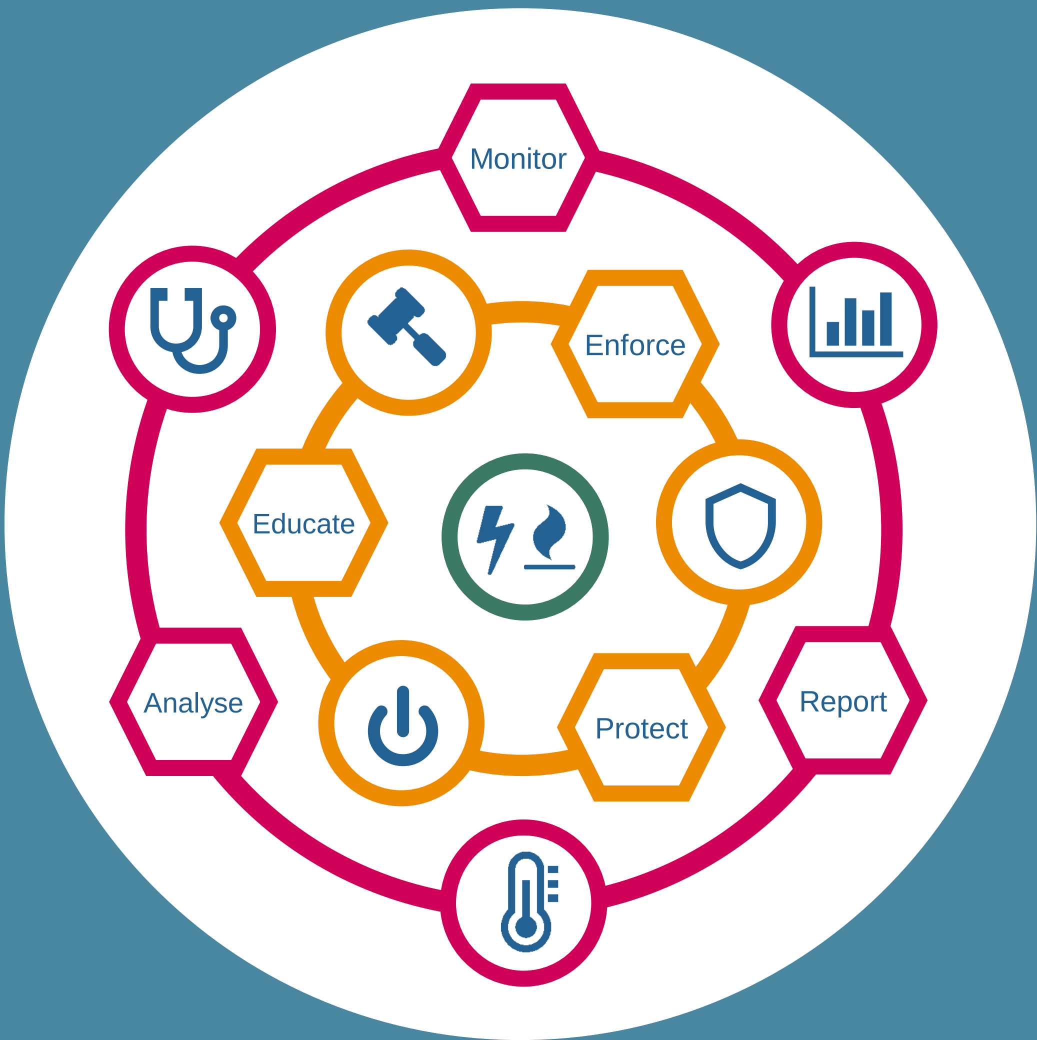
REPORT

2023–24

More customers in debt, less disconnections

The effectiveness of retailer support

Energy in Victoria



ESSENTIAL SERVICES COMMISSION

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:

Essential Services Commission 2024, *Victorian Energy Market Report: Annual 2024*, 29 November

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*.

Contents

Introduction

This edition of the Victorian Energy Market Report highlights the important protections that retailers must implement to assist consumers.

Our analysis of 2023–24 energy retailer data compared to the previous year showed that more customers:

- had missed a bill payment, were in debt or at risk of disconnection
- were unable to meet the requirements of their payment plan due to financial stress.

More consumers could be accessing assistance to help with their energy bills, highlighting the importance that Victorians are informed and aware of the support that is available.

Holding energy businesses to account

Compliance and enforcement actions were a focus of 2023–24. The commission is committed to upholding the rights and protections of Victorian energy consumers by holding regulated energy businesses to account.

Enforcement actions

We accepted a court enforceable undertaking from AusNet Electricity Services Pty Ltd (AusNet) in April 2024 after Ausnet allegedly failed to provide required information to 255,000 customers during a storm event in February 2024.

The undertaking represented a legally binding obligation for AusNet to provide $12 million in remedial assistance to affected customers of the storms under its Energy Resilience Community Fund.

The enforceable undertaking formalised AusNet's commitment to improving its systems to avoid similar issues during future power outages.

Penalty notices issued

We issued penalty notices totalling just over $1.2 million to AGL Sales Pty Ltd (AGL) and CitiPower Pty Ltd (CitiPower) between October and December 2023.

These notices related to alleged breaches of 'best offer' rules and planned supply interruptions.

ReAmped Energy Pty Ltd paid $369,840 in penalties for allegedly failing to comply with best offer obligations in May 2024. Our enforcement actions demonstrate that failure to comply with best offer messaging is unacceptable.

Compliance and enforcement priorities

We launched our 2024–25 energy compliance and enforcement priorities on 25 June 2024. The annual priorities promote transparency and competition in the Victorian energy market. They include consumer protections during widespread unplanned outages and emergency management.

Energy licences 2023–24

We granted:

- ten electricity generation licences
- four electricity wholesale licences
- three electricity retail licences
- one transmission licence.

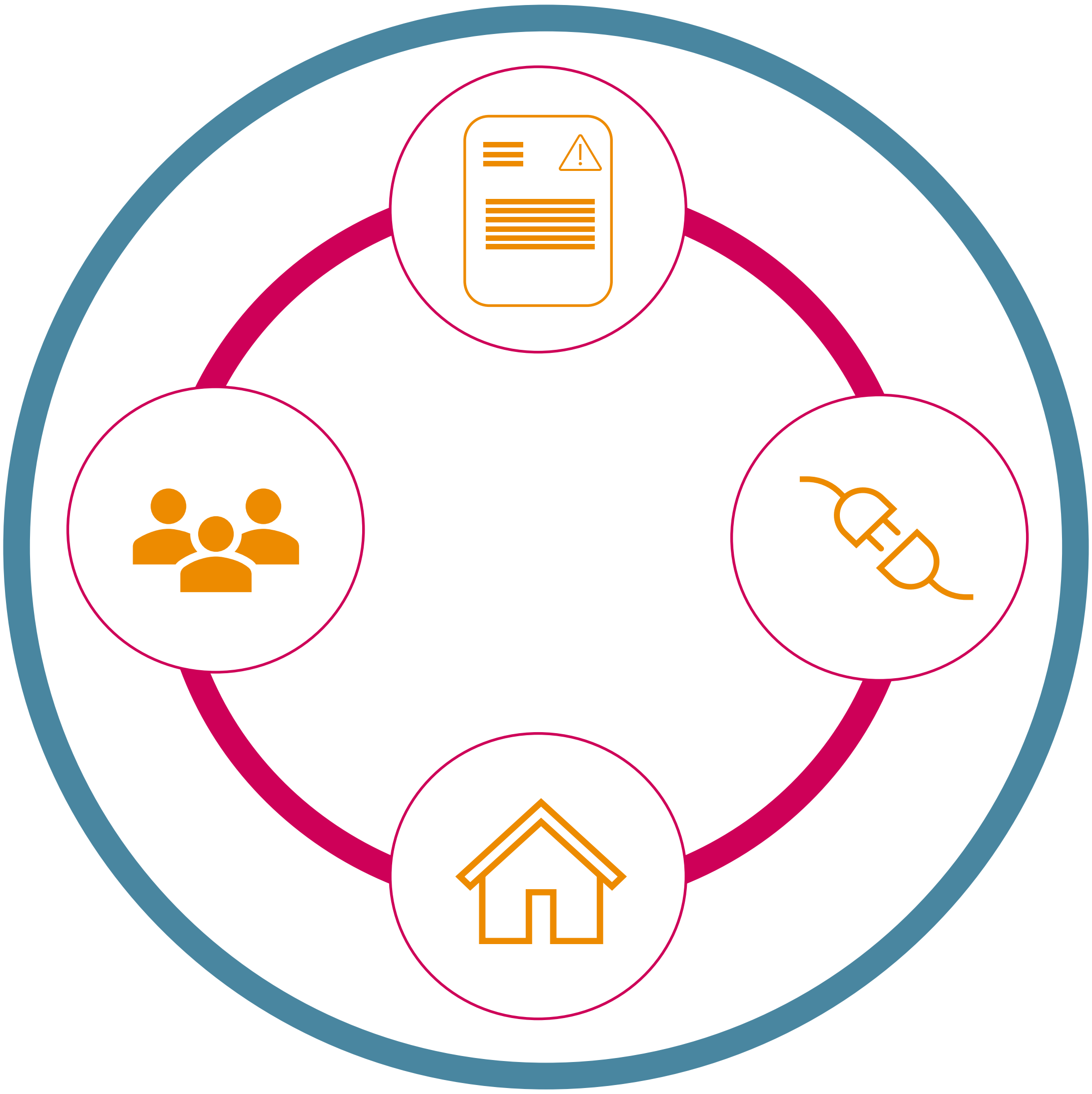
Supporting consumers

In 2024–2025, the commission continues its focus on protecting consumers who may be experiencing vulnerability or financial hardship.

Energy retailers must make it easy for consumers to access payment plans, concessions, rebates and Utility Relief Grants. Consumers can also:

- check if they are on their retailer's 'best offer' (according to their annual energy usage)
- compare energy plans through the *Victorian energy compare website*.

More customers in debt, fewer disconnections



More customers in debt, fewer disconnections

More customers faced financial stress in 2023–24. More customers:

- missed a bill payment
- were in debt
- were at risk of disconnection

compared to the previous year.

Despite these challenges, fewer customers were disconnected for non-payment this year.

With more customers experiencing financial stress, retailers can reduce the number of customers facing disconnection by improving early engagement with customers. Evidence from 2023–24 highlights a potential gap in how effectively retailers engage customers and inform them about available support.

Support information

Energy retailers play a crucial role in providing timely and accurate information to customers about the assistance available to them. This enables customers to make an informed choice and manage debt more effectively.

We currently do not have the data to fully understand these customers' journey. Over the coming year, we will seek to better understand these customers. This includes who they are, for how long they had debt and why they are not accessing the support available to them.

More customers missed a bill payment

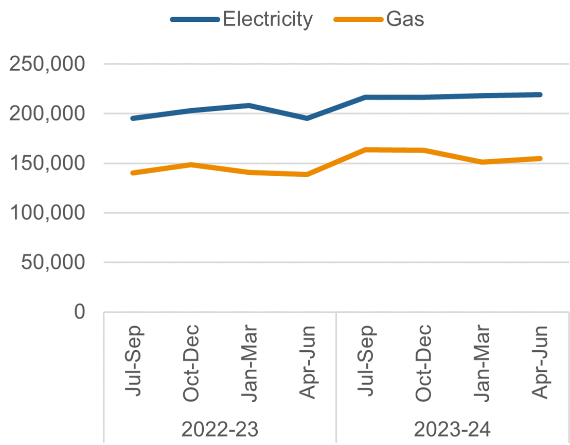
The rising number of customers who missed a bill payment suggests increasing financial stress.

An average of 218,000 electricity and 158,000 gas customers missed a bill payment each month in 2023–24, accounting for 8 per cent of all customers (see Figure 1). This represents an increase of 18,000 electricity and 16,000 gas customers compared to 2022–23.

While not all customers who miss a bill are necessarily in financial difficulty, the significant and sustained increase suggests that a large cohort is.

There are many reasons why a customer may miss a bill payment. For example, forgetting to pay a bill, or failed automatic payments (such as from a direct debit arrangement).

Figure 1: Monthly average number of missed bill payments



Note: This data was not collected prior to 2022–23.

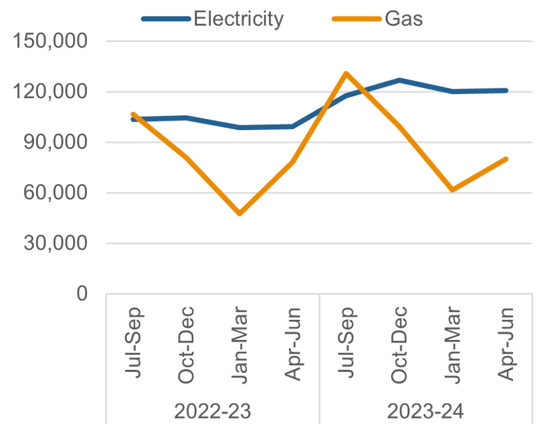
More customers in debt

More customers are in debt with their retailer and are not accessing assistance. Their average debt has also increased.

An average of 121,000 electricity and 93,000 gas customers owed their retailer at least $300 each month in 2023–24. This accounts for 5 per cent of all customers (see Figure 2) and represents an increase of 20,000 electricity and 14,000 gas customers compared to 2022–23.

EnergyAustralia had the highest proportion of electricity customers owning at least $300, more than twice the market average in both 2022–23 and 2023–24 (11 per cent and 12 per cent respectively). In 2023–24, its proportion was more than double that of the next highest retailer.

Figure 2: Number of customers with more than $300 in arrears and not accessing assistance



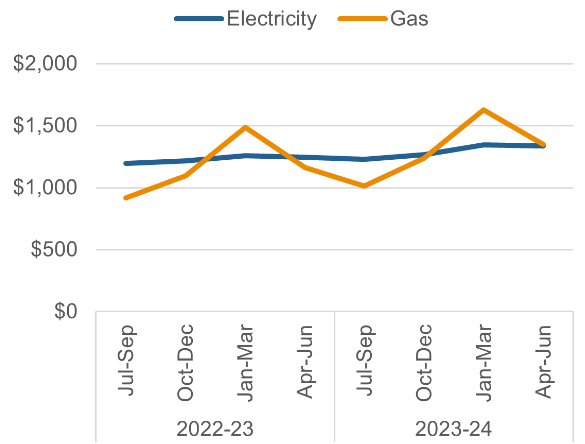
Note: This data was not collected prior to 2022–23.

Gas usage and the resulting bills fluctuate more with the seasons than electricity usage. This seasonality leads to a noticeable increase in customers with arrears during the winter months each year.

Increasing arrears

The average arrears for these customers increased, owing $1,294 for electricity and $1,306 for gas (see Figure 3). This is up $65 for electricity and $140 for gas compared to 2022–23.

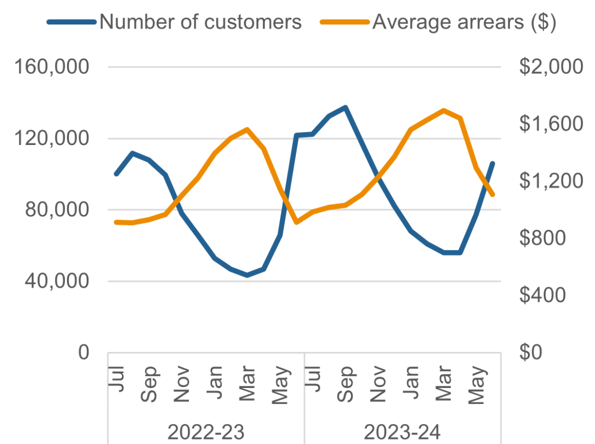
Figure 3: Average arrears of customers with more than $300 in arrears and not accessing assistance



Note: This data was not collected prior to 2022–23.

The total number of gas customers in arrears is the lowest in January to March (warmer months). However, the value of arrears peaks in January to March. This shows that customers with more substantial arrears, and who have more difficulty to repay, experience significant financial pressure over a long period. Many of these customers remain in significant arrears after the winter peak (see Figure 4).

Figure 4: Number of gas customers with more than $300 in arrears and their average arrears



Note: This data was not collected prior to 2022–23.

Fewer customers were disconnected for non-payment, despite an increase in disconnection warning notices

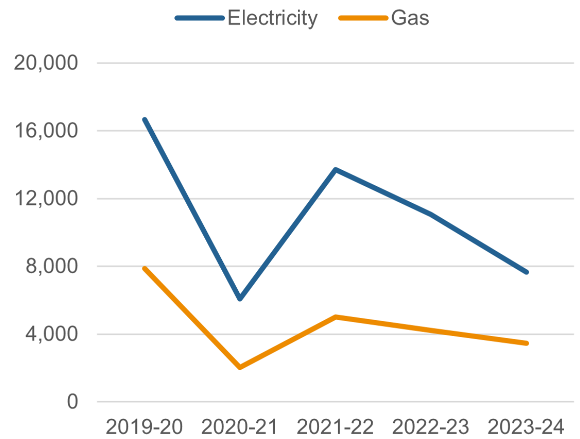
Our energy rules protect customers who access support from being disconnected while they are trying to manage their debt (see information box on page 8).

Despite an increase in the number of customers with more than $300 in arrears and not accessing assistance, fewer customers were disconnected in 2023–24.

While fewer electricity and gas customers were disconnected for non-payment, more customers received a disconnection warning notice. This puts them at increased risk of disconnection.

In 2023–24, 7,669 electricity and 3,474 gas customers were disconnected for non-payment (see Figure 5). This represents a decrease of 31 per cent for electricity and 18 per cent for gas compared to 2022–23.

Figure 5: Total residential disconnections for non-payment



In 2023–24, on average, each month 21,182 electricity and 18,578 gas customers received a disconnection warning notice. This represents an increase of 16 per cent for electricity and 23 per cent for gas compared to 2022–23.

Disconnection for non-payment is a measure of last resort

The rules in the Energy Retail Code of Practice set minimum standards of assistance retailer must provide to residential customers anticipating or facing payment difficulties. This so that disconnection of a customer's electricity or gas supply is a measure of last resort. A retailer:

- must offer assistance to any customer who misses paying a bill.
- cannot disconnect a customer if they are receiving assistance.
- may only begin steps to disconnect a customer if they owe $300 or more.
- must (amongst other things) send a reminder notice and a disconnection warning notice before disconnecting a customer.

The effectiveness of retailer support

The effectiveness of retailer support

More customers accessed tailored assistance from their retailer in 2023–24, with more customers finding themselves unable to afford their ongoing bills.

While the average arrears of tailored assistance customers has not increased, it remains high for some customers. This highlights the growing financial stress experienced among some energy customers.

Payment plan difficulty

We are concerned that more customers exited assistance for failing to meet their payment plan requirements. This has grown in the last four financial years and there continues to be significant variability in performance among retailers.

High average arrears

We also observed ongoing variability in arrears amongst retailers for customers under tailored assistance. The high average arrears some retailers reported is a concerning trend.

It may indicate that some retailers need to improve practices to better support customers with their energy debt.

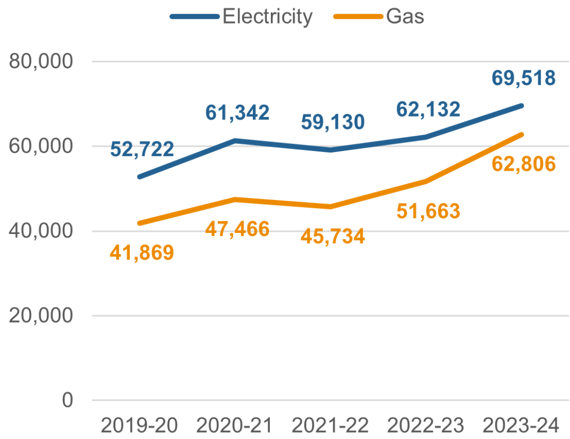
Given our concerns, we will gather more information to understand why some retailers consistently perform below market averages. This analysis will provide an opportunity for retailers to learn from each other and apply best practice to offer customers the best support possible.

More customers accessing tailored assistance

An increasing number of customers accessed tailored assistance in 2023–24 and a growing number of tailored assistance customers were unable to afford their ongoing use.

An average of 69,518 electricity and 62,806 gas customers accessed tailored assistance each month in 2023–24 (see Figure 6). 38 per cent of electricity and gas customers were unable to afford their ongoing use, an increase of 6 percentage points from 2022–23.

Figure 6: Monthly average number of customers accessing tailored assistance

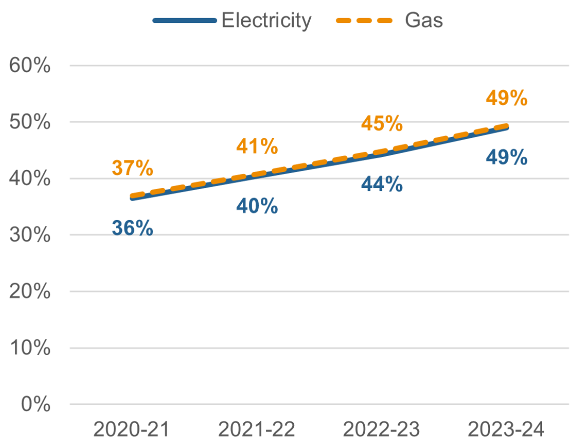


Difficulty meeting payment plan requirements

A growing number of customers on tailored assistance stopped receiving assistance due to not meeting their payment plan requirements (i.e. not able to pay their instalments on time). This has grown every year for the last four financial years.

Each month in 2023–24, an average of 6,741 electricity and 6,026 gas customers stopped receiving tailored assistance because they did not meet their payment plan requirements. This represents an increase of 33 per cent for electricity and 46 per cent for gas compared to 2022–23 (see Figure 7).

Figure 7: Proportion of total exits from tailored assistance due to not meeting payment plan requirements



Retailer variation

Customers' abilities to meet payment plan requirements vary widely across retailers. This may reflect differences in retailer practices or the diverse financial circumstances of customers.

In Figure 8, each circle represents an individual retailer within each financial year. Each colour represents the retailers' size, split across three tiers (red: small; orange: medium; blue: large).

In each of the last four financial years, the gap between the best (lowest percentage) and worst performers (highest percentage) has remained significant (see Figure 8).

The market average (dotted line) also increased, indicating that a higher number of customers cannot meet their payment plan.

In 2023–24, most retailers had between 30 to 50 per cent of customers exit tailored assistance due to not meeting the requirements of a payment plan. This a shift upwards from 2020–21, when most retailers had between 20 to 40 per cent of customers exit for this reason (see Figure 8).

Figure 8: Percentage of total exits from tailored assistance due to not meeting payment plan requirements, by retailer size

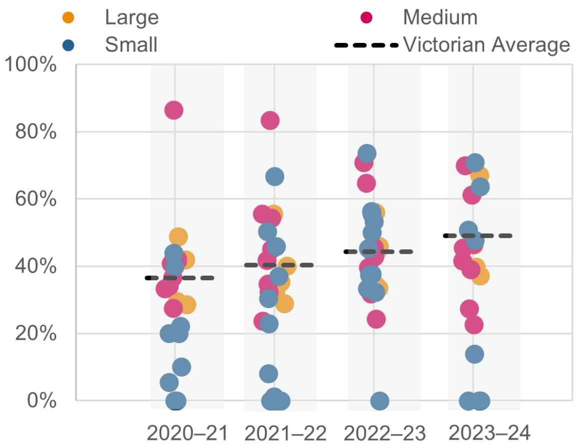
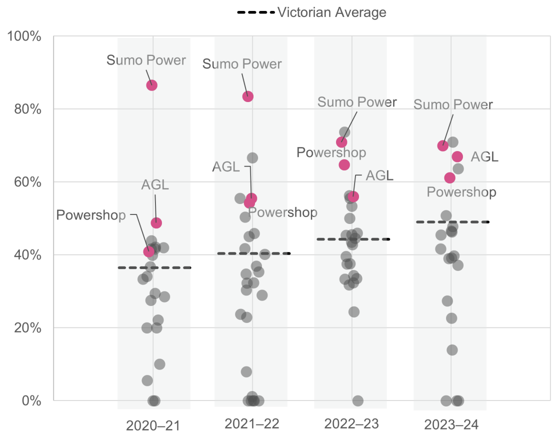


Figure 9 highlights retailers with the highest proportion of customers exiting tailored assistance for not meeting the requirements of their payment plan. Over the last four financial years, Sumo Power, AGL and Powershop have had the highest proportions. The gap between these retailers and the market average has grown over time.

More customers are unable to meet the requirements of their payment plan due to increasing financial stress. It could also indicate that retailers are not providing suitable payment plans that support customers to repay their arrears.

Figure 9: Percentage of total exits from tailored assistance due to not meeting payment plan requirements, by retailer



Decreased tailored assistance average arrears

It was encouraging to see that tailored assistance customers average arrears decreased in 2023–24.

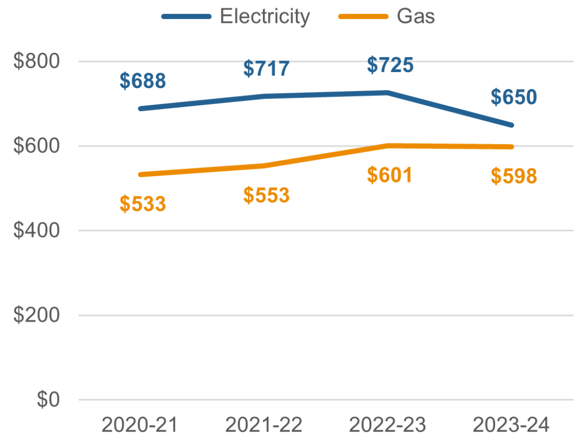
However, tailored assistance customers' average arrears varies widely across retailers. Some customers also have very large average arrears which might be unsustainable.

This is concerning because tailored assistance is most effective for customers with low arrears.[1] Letting customers accumulate large debt might drive a spiralling debt cycle and lead to disconnection.

In 2023–24, the average arrears of electricity customers who can afford their ongoing usage decreased by 10 percent. In contrast, the average arrears for gas customers remained unchanged during the same period (see Figure 10).

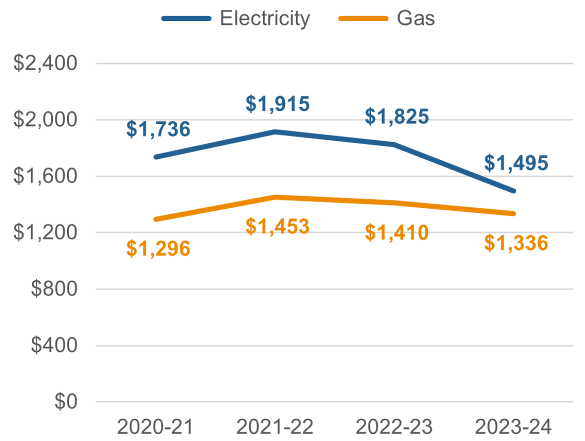
[1] Essential Services Commission, *Payment difficulty framework implementation review 2022: Findings report*, 31 May 2022

Figure 10: Average arrears of customers on tailored assistance who can pay ongoing use



For those unable to cover their ongoing use, arrears decreased by 18 per cent for electricity and 5 per cent for gas (see Figure 11).

Figure 11: Average arrears of customers on tailored assistance who cannot pay ongoing use



Despite this improvement, we note that some retailers do not perform as well as similar sized retailers. For example, some medium and small retailers reported arrears twice as high as similar sized retailers (see Figures 12 and 13).

Each circle represents an individual retailer within each financial year. Each colour represents the retailers' size, split across three tiers (red: small; orange: medium; blue: large).

Figure 12: Average arrears of electricity customers on tailored assistance who cannot pay ongoing use, by retailer size

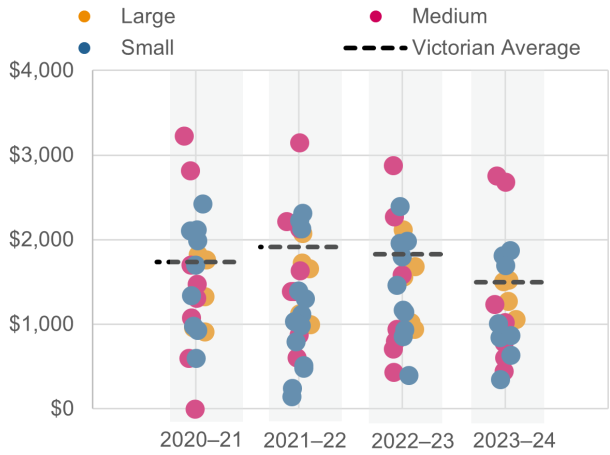
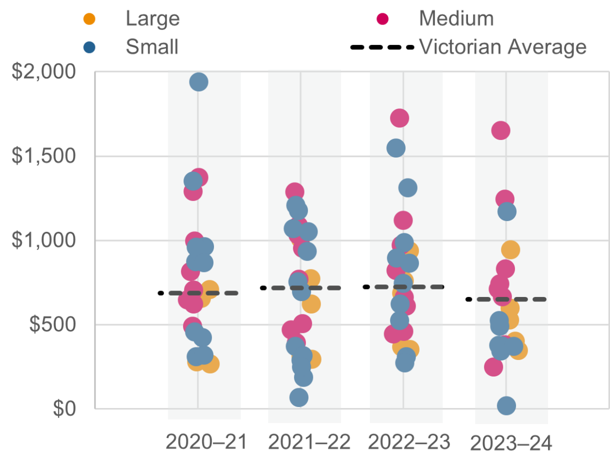


Figure 13: Average arrears of electricity customers on tailored assistance who can pay ongoing use, by retailer size



Retailers must send customers information about assistance available to them

When a customer has arrears of more than $55 including GST and misses a bill payment by the due date, retailers must provide them with information about their entitlements to assistance.

Retailers often provide this information alongside an energy bill reminder notice.

Utility Relief Grants

The commission receives regular data about Utility Relief Grants (URGs) from the Department of Family, Fairness and Housing.

More Utility Relief Grant payments were made in 2023–24 than in 2022–23.

Retailers play a critical role in requesting, applying and receiving an URG on a customer's behalf. A retailer's ability to identify and support vulnerable customers is crucial in ensuring that customers receive effective, timely assistance.

Retailer processes for assisting with the URG application process have improved across all retailer cohort sizes over the last two years, for both electricity and gas.

Large retailers are leading the market by getting more applications approved by the department.

We will collect more information on large retailers' processes to understand how they handle URGs from end to end. We will use these to uplift medium and small retailers' capability to provide customers access to financial support.

The Utility Relief Grant scheme

The Utility Relief Grant scheme provides financial assistance to customers who are experiencing a temporary financial crisis. The grant payment helps cover an unpaid energy for customers at risk of disconnection.

It is a Victoria-specific grant scheme for eligible households that provides up to $650 for electricity and gas separately or $1,300 if a household has only a single source of energy within a two-year period.

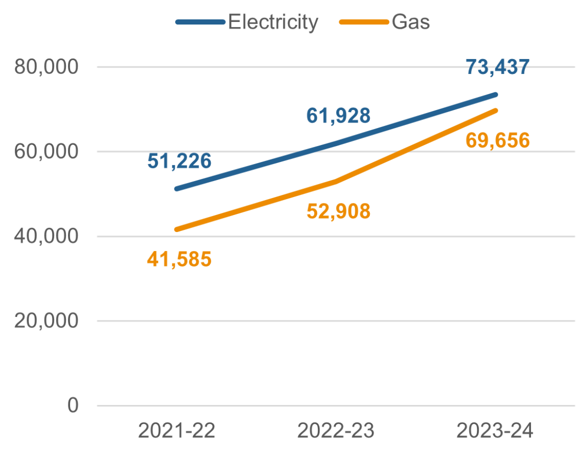
This grant significantly benefits customers by lowering their energy arrears or future costs, and the retailer in terms of reduced customers' arrears.

From 1 July 2019, energy customers were able to apply online for a Utility Relief Grant to help pay their bill, with the help of their retailer. Households also became eligible to apply for multiple grants within the two-year period, until they reach the maximum total amount of up to $650 per utility, or $1,300 if a household only has one source of energy.[2]

More customers accessing URGs

More Utility Relief Grants (URG) were approved every year since 2021–22. In 2023–24 the number of URGs approved increased by 19 per cent for electricity and 32 per cent for gas compared to 2022–23 (see Figure 14).

Figure 14: Total Utility Relief Grants approved



This indicates that more households are experiencing temporary financial pressures and are at increased risk of disconnection. It also shows that the Victorian Government is providing increasing support to customers facing financial difficulties.

Improving retailers' capability

Large retailers appear to have the most effective processes for processing and supporting URG applications. In contrast, small and medium sized retailers have more variable capability (see Figure 15).

In Figure 16, the blue shaded area (top right) shows retailers that are above market average for conversion rate and grants paid per customer (good performance). Red and Lumo Energy appear to be the most effective at supporting customers with URG applications.

In contrast, retailers highlighted in the bottom left area of the figure (poor performance) are below market average for conversion rate and grants paid per customer.

OVO Energy and CovaU have low conversion rates and fewer grants per customer.

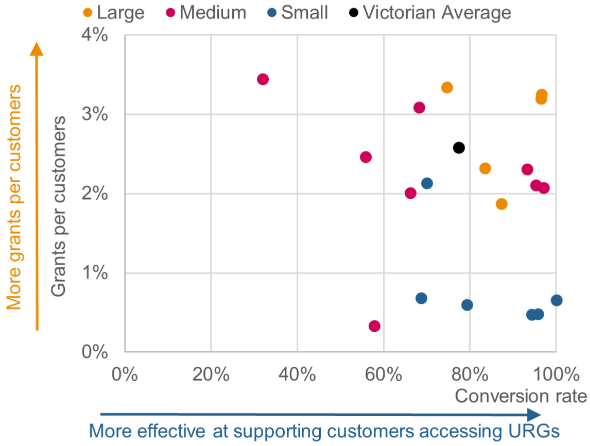
2 *Utility Relief Grant scheme mains factsheet.*

Conversion rate

Conversion rate is the percentage of URG applications forms requested from the Department of Family, Fairness and Housing that are completed and submitted to the department for assessment.

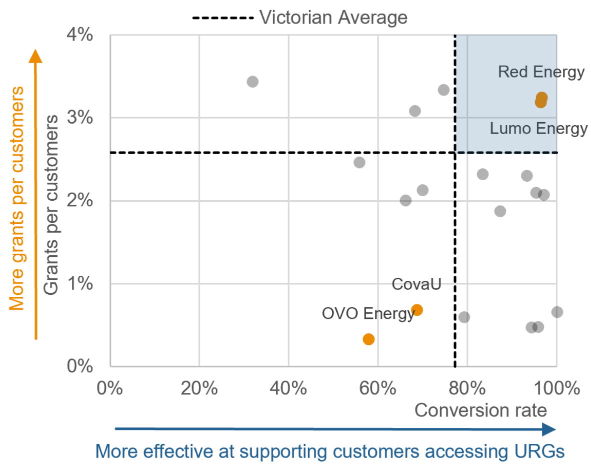
In 2023–24, the conversion rate across all retailers was 78 per cent for both electricity and gas.

Figure 15: Grant amount paid per total electricity customers and conversion rate of grants



Note: Retailers with less than one URG application per month have been excluded from the analysis

Figure 16: Grant amount paid per total electricity customers and conversion rate of grants

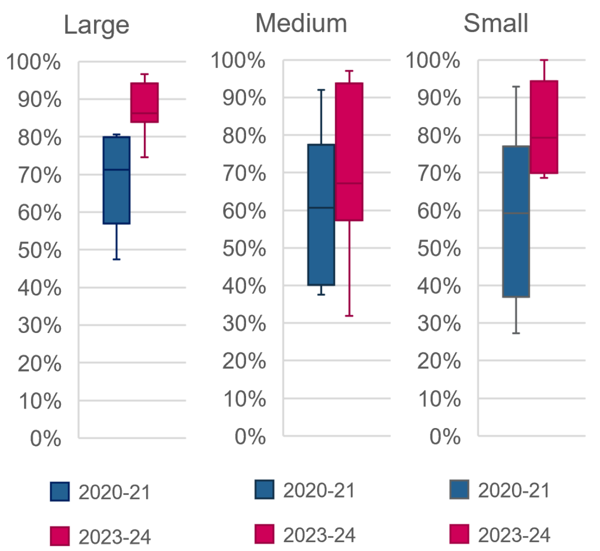


Note: Retailers with less than one URG application per month have been excluded from the analysis

Retailers have increased their conversion rates since 2020–21, for both electricity and gas (see Figure 17 and 18).

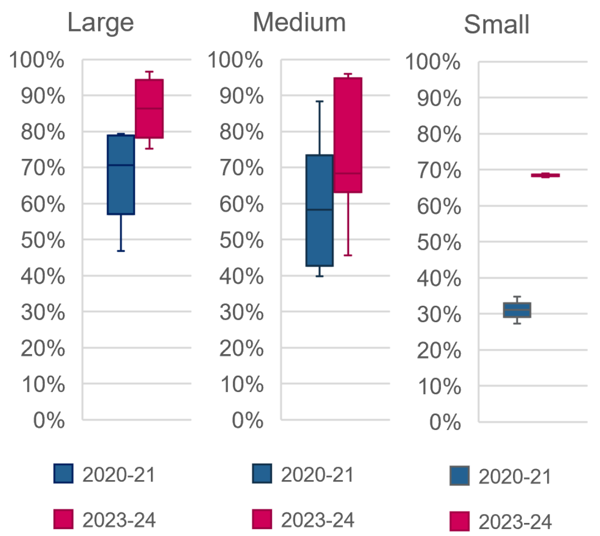
A higher conversion rate is a positive outcome for customers. It indicates that more customers have access to URG payments. It also indicates that retailers have put in place more effective process to support customers experiencing financial hardship.

Figure 17: Electricity conversion rates, by retailer size



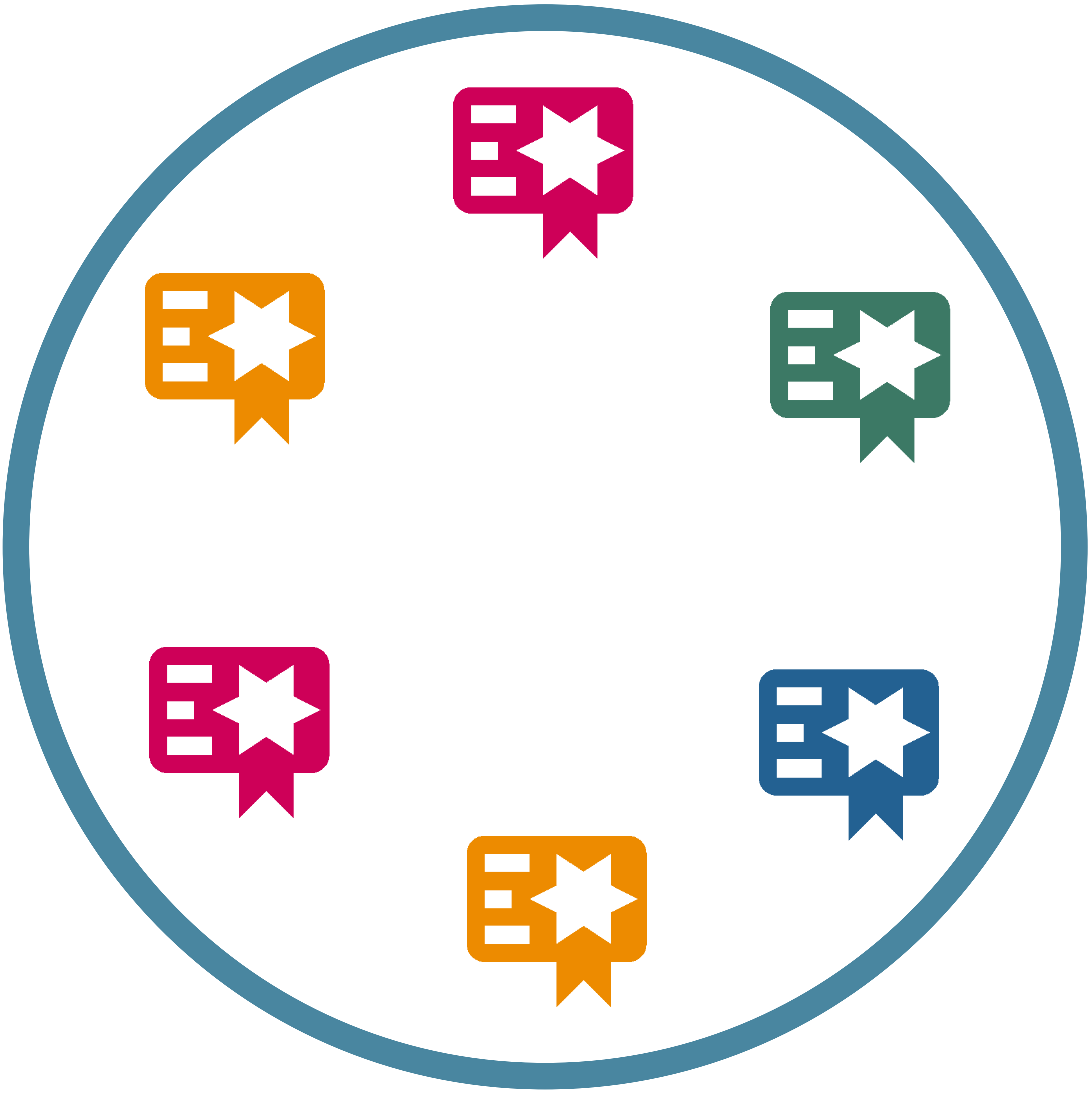
Note: Retailers with less than one URG application per month have been excluded from the analysis

Figure 18: Gas conversion rates, by retailer size



Note: Retailers with less than one URG application per month have been excluded from the analysis

Compliance under the Victorian Energy Upgrades program



Compliance under the Victorian Energy Upgrades program

The Victorian Energy Upgrades program helps Victorians reduce their energy bills and greenhouse gas emissions. It provides access to discounted energy efficient products and services through accredited providers.

The program has helped close to two and a half million Victorian residential and commercial premises, from its start in 2009 until the end of 2023. This represents over 90 million tonnes of greenhouse gas emissions (CO_2e) savings. This is the equivalent of taking over 25 million cars off the road for a year.

Accredited providers who deliver upgrades for households and businesses can create Victorian energy efficiency certificates under the program. Each certificate represents one tonne of greenhouse gas emissions (CO_2e) saved.

Victorian energy retailers were required to surrender 6,581,091 Victorian energy efficiency certificates for the 2023 compliance year (1 January to 31 December 2023).

Energy retailers surrendered over 6.3 million certificates for the 2023 compliance year

The Victorian Energy Efficiency Target Act 2007 (VEET Act) is the enabling Act for the Victorian Energy Upgrades program. It requires energy retailers (relevant entities) to surrender Victorian energy efficiency certificates if they:

- make a scheme acquisition in connection with the sale of either electricity or gas (or both) to customers, and
- have 5,000 or more customers, or
- make a scheme acquisition of 30,000 MWh or more of electricity or of 350,000 GJ or more of gas in one compliance year.

Twenty-nine Victorian energy retailers surrendered 6,365,710 Victorian energy efficiency certificates for the 2023 compliance year. This was 95 per cent of the total certificate surrenders required to meet the energy liability across all retailers for 2023.

Table 1 details energy retailers' compliance, including energy efficiency certificate shortfalls, for the 2023 compliance year.[3]

Table 1: Energy retailers' compliance summary
1 January 2023 to 31 December 2023

Compliance details	Total
Energy retailers identified as relevant entities under the VEET Act	31
Number of relevant entities that surrendered certificates for the 2023 compliance year	29
Number of relevant entities that surrendered sufficient certificates to meet their annual liability	28
Number of relevant entities that had an energy efficiency certificate shortfall	3
Number of certificates surrendered by relevant entities for the 2023 compliance year	6,365,710
Amount of energy efficiency certificate shortfalls by entity	
Ipower 2 Pty Ltd & Ipower Pty Ltd trading in partnership as Engie	310,991
Iberdrola Australia Holdings Pty Ltd	10,542
Iberdrola Australia Energy Markets Pty Ltd [4]	10,053
Total	**331,586**

See the *Essential Services Commission Annual Report 2023—2024* for more details about the outcomes delivered to consumers by the Victorian Energy Upgrades program in the 2023 compliance year.

[3] This table is published to meet the commission's statutory reporting requirements under sections 7(3) and 67 of the *VEET Act*, and complements information provided in the annual report.

[4] The energy licence for Iberdrola Australia Holdings Pty Ltd was transferred to Iberdrola Australia Energy Markets Pty Limited on 28 May 2023, with effect from July 2023.

Energy in Victoria

2023–24

Compliance and enforcement

Accepted four enforceable undertakings and instituted four Supreme Court proceedings.

Issued over $2.6 million in penalty notices to Victorian energy licensees in 2023–24 for alleged contraventions.

Wrongful disconnections

$442,976 was paid to 201 customers as wrongful disconnection payments.

Market entry and exit

Granted one transmission license, ten electricity generation licenses and four electricity wholesale licenses.

Granted three electricity retail licenses.

Compliance and enforcement activities

Summary of 2023–24 compliance and enforcement priorities

We published our 2023–24 energy compliance and enforcement priorities in July 2023.[5] This section summarises each priority and outlines the key outcomes.

AusNet enforceable undertaking

In April 2024, the commission separately accepted a court enforceable undertaking from AusNet Electricity Services Pty Ltd (AusNet). This followed its alleged failure to provide adequate power outage information and customer communication channels to customers during the February 2024 storms event. As part of the court enforceable undertaking, AusNet agreed to an enforceable $12 million Energy Resilience Community Fund. AusNet has provided $2 million to the Brotherhood of St Laurence, St Vincent de Paul and Financial Counselling Australia to further support consumers experiencing vulnerability.

Payment Difficulty Framework

Victoria's Payment Difficulty Framework requires energy retailers to provide assistance to residential customers who are anticipating or experiencing difficulty paying their bills.

Payment Difficulty Framework Guideline

The commission released an updated Payment Difficulty Framework Guideline following consultation with key stakeholders.[6]

The guideline sets out the commission's expectations of retailers when they are implementing the framework by assisting customers experiencing payment difficulty. We released the new guideline at a time when we are seeing more consumers accessing payment assistance due to cost-of-living pressures.

Wrongful disconnections

We continued to monitor energy retailers by assessing potential wrongful disconnections. This included monitoring retailers to ensure compliance with disconnection obligations under the *Electricity Industry Act 2000, Gas Industry Act 2021* and the Energy Retail Code of Practice.

Compliance reviews

We conducted three energy retailer compliance reviews in 2023–24 to investigate disconnection processes:

- Engie (formerly Simply Energy)
- Powershop
- EnergyAustralia.

The reviews found that overall, all three retailers had a combination of preventative, detective and corrective controls in place related to disconnections. We also found areas where retailers could make key improvements:

- templates and automated processes
- record-keeping practices and training
- improving the timely reporting of potential or actual breaches to the commission.

Each of the three retailers implemented measurable remediation plans to address the findings from the reviews and reported their actions to the commission.[7]

Helping customers navigate the energy market

We are committed to finding and creating opportunities to clarify how consumers can confidently engage and assess plans available in the energy market. We released a Best Offer Guideline in November 2023 to provide guidance to energy retailers on how they share information about their 'best energy offer' with consumers.[8]

Protecting customers experiencing vulnerability

Protecting customers experiencing vulnerability remains an enduring priority for the commission.

In March 2024, the commission accepted a court enforceable undertaking from Jemena Electricity Networks (Vic) Ltd for allegedly failing to notify 49 customers, including one life-support customer, of a planned power interruption.

We have continued to handle consumer enquiries, notably regarding the February 2024 storms event and billing assistance queries. We assisted and referred Victorian consumers to relevant agencies, dispute resolution bodies and advocacy services, where appropriate.

5 See *Compliance and enforcement priorities 2023–24.*
6 See *Payment Difficulty Framework Guideline.*
7 See *Compliance reviews - disconnections 2023–24.*
8 See *Best Offer Guideline.*

Compliance and enforcement priorities 2024–25

Table 2 summarises our compliance and enforcement priorities for 2024–25.[9]

Table 2: Compliance and enforcement priorities summary for 2024–25

Disconnections for non-payment	Electricity and gas are essential services. Consumers should only ever be disconnected by an energy retailer as a last resort for non-payment of a bill.
Payment Difficulty Framework	Energy retailers are required to provide assistance to customers who are anticipating or experiencing difficulty paying their bills. We will focus on making sure customers are provided with all their minimum entitlements. This includes practical assistance to reduce their energy usage and to access concessions and the Utility Relief Grant Scheme.
Protecting customers experiencing vulnerability	Our enduring priority is to help Victorians experiencing vulnerability to access essential services, especially those who are affected by family violence, or are experiencing payment difficulty.
Statutory land access powers	We will monitor and promote compliance with new rules regarding statutory land access by electricity transmission businesses under the Land Access Code of Practice.
Consumer protections during widespread unplanned outages and emergency management	Distributors must provide reliable and timely information to customers during power outages and emergency events. We will monitor and promote compliance by distributors in providing reliable and timely information about outages and supply restoration timeframes.
Gas connection abolishment	We will monitor and promote compliance with new rules, including gas connection abolishment requirements, under the Gas Distribution Code of Practice. It is important consumers understand the process to have their gas supply abolished.

9 See *Compliance and enforcement priorities 2024–25.*

Enforcement outcomes

The commission took multiple enforcement actions against Victorian energy licensees in 2023–24. This includes:

- penalties totalling $2,636,772
- four enforceable undertakings
- four Supreme Court proceedings.

Our enforcement actions during this period reflect our strengthened enforcement capability to identify non-compliance and address significant consumer harm caused by alleged contraventions of Victorian energy rules.

Notably, this period also marks our first time instituting proceedings in the Supreme Court.

The following section provides a summary of each enforcement outcome.

Enforceable undertakings

Between August 2023 and April 2024, 1st Energy Pty Limited (1st Energy), Jemena Electricity Networks (VIC) Ltd (Jemena), AusNet Electricity Services Pty Ltd (AusNet) and ReAmped Energy Pty Ltd (ReAmped Energy) entered into court enforceable undertakings with the commission. These undertakings related to alleged failures to:

- comply with the statewide ban on door-to-door energy sales
- notify customers of planned power interruptions
- provide customers with information about power interruptions
- inform customers of their 'best offer'
- comply with family violence related obligations.

AusNet enters enforceable undertaking for failing to maintain outage tracker during February 2024 storm

Victoria experienced a catastrophic storm event on 13 February 2024. The storm damaged powerlines and poles across the state's electricity distribution businesses, causing power interruptions that impacted homes and businesses.

Electricity distributors must provide customers with information about the nature of power interruptions and likely restoration times.

Electricity distributor AusNet's outage tracker was unable to handle the volume of customers to its website.

This resulted in 255,000 AusNet customers not being provided required information about the nature of the power interruption and restoration times. The outage tracker was not fully restored until 21 February 2024. AusNet acknowledged its failure to provide timely service interruption information to customers was an alleged contravention of Victorian energy rules.

On 29 April 2024, the commission accepted a court enforceable undertaking from AusNet. Under the terms of the undertaking, AusNet has agreed to undertake remediation actions. This includes commissioning independent reviews into its response to the storms.

The commission continues to closely monitor AusNet's compliance with the terms of the court enforceable undertaking.

1st Energy enters enforceable undertaking for failing to comply with ban on door-to-door energy sales

On 8 August 2023, the commission accepted a court enforceable undertaking from 1st Energy after it allegedly failed to comply with a state-wide ban on door-to-door energy sales that came into effect in December 2021.

Evidence we gathered found that between January and March 2022, 1st Energy signed up 81 energy customers on new energy contracts as a result of unsolicited approaches at their homes by representatives of a third-party sales agency.

1st Energy acknowledged the alleged conduct is likely to have contravened Victorian energy laws on this occasion and has remediated affected customers. It has also ceased any Victoria-based work with the associated third-party sales agency.

The undertaking requires 1st Energy to implement comprehensive quality assurance and compliance monitoring of its policies and processes relating to sales channels partners, and introduce regular training to cover unsolicited sales prohibitions and practices.

Jemena enters enforceable undertaking for failing to notify customers of a planned interruption

On 13 March 2024, the commission accepted a court enforceable undertaking from Jemena after it allegedly failed to notify customers of a planned power interruption in Heidelberg Heights in April 2023.

Under Victorian energy laws, energy distributors must provide customers with written notice at least four business days before a planned power interruption.

Jemena acknowledged that on 16 April 2023, it failed to notify 49 customers of a planned power interruption, one of which was a registered user of life support equipment.

The undertaking requires Jemena to provide compulsory annual training to staff on planned interruptions, implement stricter cross-checking notification requirements, and regularly report to the commission about its progress in implementing the undertaking.

ReAmped Energy enters enforceable undertaking for 'best offer' failures

On 30 April 2024, the commission accepted a court enforceable undertaking from ReAmped Energy after it allegedly failed to follow best offer obligations.

ReAmped Energy acknowledged that between 1 August 2022 and 30 June 2023, it failed to tell 3,149 customers about their best offer. This occurred because ReAmped Energy did not identify the best offer, incorrectly calculated the best offer, or did not provide a best offer message frequently enough.

ReAmped Energy has begun reimbursing impacted customers. The undertaking requires ReAmped Energy to honour requests for reimbursements until 24 April 2025. ReAmped Energy must also publish a public notice in newspapers about its conduct.

Penalty notices

Between October 2023 and May 2024, AGL Sales Pty Ltd (AGL), Red Energy Pty Ltd (Red Energy), CitiPower Pty Ltd (CitiPower), Origin Energy (Vic) Pty Ltd and Origin Energy Electricity Limited (together, Origin), Blue NRG Pty Ltd (Blue NRG), ReAmped Energy Pty Ltd (ReAmped Energy), paid penalty notices totalling $2,636,772. These notices related to alleged contraventions of wrongful disconnections obligations, family violence obligations, Guaranteed Service Level (GSL) payment obligations, 'best offer' obligations, and self-reporting obligations.

Penalty notices issued to AGL for allegedly wrongfully disconnecting a customer experiencing payment difficulty

In September 2023, AGL paid $73,968 for allegedly contravening Victoria's energy rules related to disconnecting a customer's energy supply for non-payment.

We gathered evidence that AGL allegedly wrongfully disconnected a customer even though AGL had received $636.64 to credit the customer's account from a Victorian Utility Relief Grant Scheme, which would have cleared the customer's arrears.

AGL also allegedly failed to report the wrongful disconnection within the prescribed reporting timeframe.

Penalty notices issued to Red Energy for alleged breaches of 'best offer' obligations under the Energy Retail Code of Practice

In September 2023, Red Energy paid $254,436 for allegedly contravening Victoria's energy rules related to 'best offer' obligations.

Over a two-week period in 2022, Red Energy allegedly communicated incorrect best offer information to 30,982 customers, including customers who were on concessions and payment assistance. Additionally, Red Energy allegedly failed to provide 15 customers with any best offer information on their bills within prescribed timeframes, over a period of three years between 2019–2022.

Penalty notices issued to AGL for alleged breaches of customer's 'best offer' rules

In October 2023, AGL paid $799,656 in penalties after allegedly contravening Victoria's energy rules related to 'best offer' obligations between March and June 2022.

AGL allegedly failed to provide 22 customers with accurate best offer information that they were entitled to due to calculation errors in respect of each customer.

Penalty notices issued to CitiPower for allegedly failing to notify customers of planned power interruptions

In December 2023, CitiPower paid $406,824 in penalties after it allegedly failed to notify 43 customers of two separate planned power interruptions in Brunswick and Carlton between January and March 2023. One of the customers impacted was a registered user of life-support equipment.

Under Victorian energy laws, distributors must provide customers with written notice at least four business days prior to a planned power interruption.

Penalty notices issued to Origin for alleged breaches of family violence obligations under the Energy Retail Code of Practice

In January 2024, Origin paid $295,872 in penalties for allegedly contravening Victoria's energy rules related to debt recovery and family violence.

Origin allegedly referred six customers affected by family violence to a debt recovery agency without considering the potential impact of debt recovery on those customers. Origin self-reported the issues affecting Victorian customers as required under the commission's reporting requirements.

Penalty notices issued to Blue NRG for alleged breaches of Guaranteed Service Level payment obligations under the Energy Retail Code of Practice

In March 2024, Blue NRG paid $436,176 in penalties for allegedly breaching the Victorian energy rules related to Guaranteed Service Level (GSL) payments between July 2021 and June 2022.

Blue NRG allegedly failed to credit GSL payments totalling over $125,000 to the bills of 427 customers within the required timeframes. Energy distributors had made the payments to Blue NRG, who was then required to credit the payments to the bills of affected customers.

Victorian energy rules require distributors to make GSL payments to customers when they do not meet guaranteed service levels. These GSL payments are an acknowledgement of the inconvenience a customer experiences when their distributor does not meet these service levels.

Penalty notices issued to ReAmped Energy for alleged breaches of best offer obligations under the Energy Retail Code of Practice

In May 2024, ReAmped Energy paid $369,840 in penalties for allegedly contravening Victoria's energy rules related to 'best offer' obligations between 1 August 2022 and 30 June 2023.

ReAmped Energy allegedly failed in its best offer obligations when it did not identify the customer's best offer (including by failing to have regard to Victorian Default Offer tariffs), incorrectly calculated the best offer, or did not provide a best offer message frequently enough. These alleged failures affected 3,149 customers.

Enforcement outcomes in 2024–25

ENGIE penalty notices for alleged family violence and reporting contraventions

ENGIE paid nearly $1.7 million in penalties on 20 September 2024 for alleged breaches relating to family violence and reporting failures. The commission issued $1,676,104 in penalty notices to ENGIE (previously trading as Simply Energy) for disclosing family violence affected customers confidential information without consent, not eliciting customers' preferred contact methods and providing inadequate assistance. The alleged conduct impacted 65 customers who were affected by family violence.

Penalty notices issued to Dodo Power & Gas for alleged breaches of Guaranteed Service Level payments and self-reporting obligations

Dodo Power & Gas paid $825,472 in penalties issued by the commission in September 2024. Dodo Power & Gas paid $750,026 of the penalties for allegedly failing to credit 1,325 Guaranteed Service Level (GSL) payments totalling over $130,000 to the bills of 978 customers within the required timeframe between May 2022 and February 2024. The remaining $75,446 was paid for Dodo Power & Gas' alleged failure to self-report breaches to the commission within the regulated timeframe. GSL payment obligations were introduced to better protect customers from the inconvenience caused when guaranteed service levels are not met.

This action shows the seriousness with which the commission treats these obligations and should serve as a deterrent to other energy retailers against similar conduct.

Court proceedings

The commission commenced proceedings in the Supreme Court of Victoria in December 2023 against Sumo Power Pty Ltd and Sumo Gas Pty Ltd (together, Sumo). Additionally, in December 2023 and February 2024, the commission commenced proceedings against Origin Energy (Vic) Pty Limited, Origin Energy Electricity Limited and Origin Energy Retail Limited (together, Origin).

In February 2024, the commission commenced further proceedings in the Supreme Court of Victoria against Sumo.

These matters are still currently before the Supreme Court of Victoria.

Compliance matters

We have a range of compliance pathways in relation to self-reported breaches from licensees. Table 3 outlines the compliance pathways in 2023–24.

Table 3: Compliance pathways for matters during 2023–24

Pathway	Q1	Q2	Q3	Q4
Compliance review remediation	6	1	0	0
Warning or educational letter	12	39	5	27
Promoting compliance and securing remediation	10	3	12	13
Total for each quarter	28	43	17	40
Total: 128				

Key projects delivered in 2023–24

Compliance reviews: disconnection processes

In March 2023, we directed three retailers (Powershop Australia, ENGIE, formerly Simply Energy and EnergyAustralia) to appoint an independent reviewer to conduct a compliance review of their energy disconnection processes.[10] The objective of the reviews was to better understand the root causes of wrongful disconnection and identify opportunities for improvement.

Review findings

Findings from the independent reviews found opportunities for all three retailers to improve their:

- templates and automated process
- record-keeping practices
- timeliness in reporting potential or actual breaches.

All three retailers have since made improvements to their disconnection processes. For example, the inclusion or enhancement of a control mechanism through SMS text or email confirmations sent to customers before a disconnection occurs.

We closely monitored each retailer's implementation of its remediation plan, which aimed to promote ongoing compliance with Victoria's energy disconnection rules.

ENGIE's performance reporting

In May 2024, we directed ENGIE to appoint an independent reviewer to conduct a compliance review of its performance data. We initiated the review following identification of significant errors with the data ENGIE reported to the commission in March 2024.[11]

Review findings

The independent reviewer found instances where:

- the data ENGIE submitted was inconsistent with Compliance and Performance Reporting Guidelines (CPRG) requirements
- ENGIE was unable to provide sufficient or appropriate evidence that it followed CPRG requirements.

Recommendations for key areas of improvement were made to address issues raised in the findings. ENGIE has resolved all findings and resubmitted all performance data identified as inconsistent and inaccurate. We expect all future ENGIE submissions to be consistent with the requirements of the CPRG.

We will continue to exclude ENGIE from our Victorian Energy Market Report and Dashboard until we are satisfied that its reported data is accurate.

Compliance with the Guaranteed Service Level scheme

The Guaranteed Service Level (GSL) scheme requires Victorian electricity distributors to make customer payments when they fail to meet certain service levels. Victorian distributors must report their compliance and performance regarding the GSL scheme must be reported.[12]

In 2023–24, we completed an analysis of data that distributors submitted for the 2021–2022 and 2022–23 financial years.

10 *Compliance reviews - disconnection processes 2023–24*
11 *ENGIE compliance review - performance reporting 2023–24*
12 *Guaranteed Service Level scheme performance reporting*

Analysis findings

Key insights from our analysis include:

- distributors paying approximately $22 million to Victorian consumers for failing to meet the minimum service levels required during the 2021–22 financial year
- the total GSL payments in 2022–23 was halved compared to the previous year due to a substantial decrease in major event day payments.

This indicates that consumers received more reliable supply in 2022–23 compared to 2021–22.

We expect distributors to provide 2023–24 GSL scheme data to the commission later this year. We will continue to monitor distributor compliance with the GSL scheme and expect to publish new data in March 2025.

Guidelines published in 2023–24

Best Offer Guideline

We published the *Best Offer Guideline (PDF)* in November 2023, It provides guidance to retailers on how they provide information about their 'best energy offer' to customers.

Best offer obligations

Energy retailers are required to tell customers on their bill and other notices whether or not they are receiving their best offer at least once every three months for electricity and at least once every four months for gas. This includes telling customers how much money they could save by switching to the best plan the retailer offers, if they are not already on it.

The commission recognises that customers need clear, timely and transparent information about energy offers to engage confidently with the energy market.

Improving best offer communication

The guideline is designed to help energy retailers review and improve how they communicate their best offer to make it clearer and easier for customers to switch to a better value plan.

The guideline includes:

- case studies demonstrating different scenarios where retailers are required to provide customers with best offer messages
- better practice examples to encourage retailers to adopt industry best practice.

Entry and Search of Premises with Warrant Guideline

We published the *Entry and Search of Premises with Warrant Guideline (PDF)* in March 2024.

An inspector appointed by the commission may obtain a warrant from a magistrate authorising the inspector to enter a premises, and exercise powers to obtain information, documentation, or evidence at the premises.

The commission can use powers under warrant to carry out its compliance and enforcement functions.

The commission recognises that the powers to enter a premises under warrant are intrusive. Accordingly, we would only use the powers in appropriate circumstances and in accordance with the requirements of the legislation.

Guideline summary

The guideline covers the:

- circumstances in which an inspector may apply for a warrant
- steps that an inspector must take to obtain a warrant
- powers that an inspector may have under a warrant
- obligations and rights of the occupier of the premises, and other persons present at the premises, where a warrant pertaining to the premises is executed by an inspector.

Entry and Search of Premises with Consent Guideline

We published the *Entry and Search of Premises with Consent Guideline (PDF)* in March 2024.

An inspector appointed by the commission may enter and search a premises where the inspector believes on reasonable grounds that a person may have contravened an essential services requirement. The inspection powers enable the commission to obtain information, documentation, or evidence at the premises to carry out its compliance and enforcement functions.

The guideline sets out information about an inspector's power to enter and search a premises **with consent**.

The commission recognises that the powers to enter and conduct a search of a premises are intrusive. Accordingly, we will ensure that the powers are only used in appropriate circumstances and in accordance with the requirements of the legislation.

Payment Difficulty Framework Guideline

The guideline:

- consolidates and replaces previous guidance that the commission had published on the Payment Difficulty Framework
- includes new guidance for energy retailers relating to providing energy efficiency information to customers as part of practical assistance
- clarifies the obligation on energy retailers when it comes it completing and submitting Utility Relief Grant applications on behalf of customers
- does not impose any new obligations on Victorian electricity or gas retailers.

Payment Difficulty Framework Guideline

The Payment Difficulty Framework is a set of energy rules to protect and support residential customers who are anticipating or facing payment difficulty.

In July 2024, we published an updated version of Payment Difficulty Framework Guideline, which provides guidance for energy retailers and exempt sellers to meet their obligations under the framework.[13]

The new guideline follows the industry's maturity in working under the framework which was introduced in 2021 and focuses on key obligations that required clarity.

The guideline uses case studies and better practice examples to encourage energy retailers to provide assistance that is beyond the minimum standards set out in the payment difficulty framework.

Protecting customers experiencing vulnerability is an enduring priority for the commission. The Payment Difficulty Framework guideline forms part of the work the commission is doing to help and protect Victorians experiencing vulnerability when accessing essential services.

Voltage performance in 2023–24

We continued to monitor voltage performance in 2023–24 and published the voltage performance of all five Victorian electricity distributors on our website. [14]

All distributors self-reported data that showed general trends of functional compliance with the commission's voltage performance obligations in 2023–24.

Victoria's extreme weather event

The February 2024 storm event caused some distributors to experience brief potential non-compliance with performance obligations. We acknowledge that the February 2024 storms are likely to have contributed to the potential isolated non-compliance with voltage performance obligations.

Over- and under-voltage obligations

Each distributor must self-report data which indicates compliance with over- and under-voltage obligations.

In March 2024, we published a report by GridWise Energy Solutions following an independent review and assessment of the data self-reported by Victorian distributors.[15] The report covered data between December 2021 (when votage data was first collected by the commission) and November 2023.

Complaints and enquiries

We received 737 enquiries between 1 July 2023 and 30 June 2024. The largest number of enquiries received was about billing and tariffs. Some of the enquiries we received in 2023–24 include:

- the February 2024 storm, including queries about outages and Guaranteed Service Level payments
- issues relating to retailers' offers and tariffs, including the Victorian Default Offer
- price increases and billing
- how to lower energy costs with the rising cost of living
- best offer messaging
- issues relating to retailers' and embedded network operators' billing, such as unexpected high bills and estimated bills.

13 *Payment Difficulty Framework Guideline*
14 *Voltage performance data*, Essential Services Commission
15 extitGridWise Energy Solutions – Voltage compliance assessment report December 2021-November 2023

Wrongful disconnections

We remain committed to ensuring that Victorian consumers are not wrongfully disconnected and that retailers comply with Victoria's strict rules regarding disconnection of energy supply. Tables 4 and 5 summarise the number of customers affected by wrongful disconnections and the amount of compensation paid to affected customers.[16]

Requirement to self-report

Energy retailers report the data in these tables under the requirement to provide wrongful disconnection reports to the commission. We have excluded ENGIE data due to an ongoing audit of data internally to reconcile potential inaccuracies with data.

Table 4: Number of customers affected by wrongful disconnections (self-reported by retailers in compliance with obligations to the commission) in 2023–24

Retailer	Q1	Q2	Q3	Q4
AGL	8	1	2	3
Amber Electric	1			
Dodo	1		1	
EnergyAustralia	6	1		16
Lumo Energy	2		2	
Momentum Energy		3	3	4
Next Business Energy		2	1	
Origin Energy	1	126	3	
Powershop			1	
Red Energy		1		
Sumo Power		1	2	4
Total for each quarter	**20**	**135**	**15**	**31**
Total: 201				

Table 5: Total compensation ($) paid to customers for self-reported wrongful disconnections in 2023–24

Retailer	Q1	Q2	Q3	Q4
Amber Electric	$100			
OVO Energy	$522			
Dodo	$656		$190	
Lumo Energy	$3,101		$233	
Origin Energy	$3,500		$6,699	
EnergyAustralia	$7,625	$188		$8,722
AGL	$11,382	$1,121	$332	$1,057
Sumo Power		$113	$1,071	$153,007
Next Business Energy		$2,400	$500	
Momentum Energy		$3,307	$1,666	$4,338
Red Energy		$3,500		
Powershop			$3,500	
Total for each quarter	**$27,543**	**$230,181**	**$14,984**	**$170,268**
Total: $442,976				

Distributor performance: unplanned outages

Variable duration of outages across distributors

Distributors are responsible for the reliability of energy supply. A distributor must notify customers in advance if it plans to shut off a customer's supply. However, customers may experience unplanned outages from time to time. There are two measures electricity distributors commonly used to evaluate their networks' reliability:

- unplanned System Average Interruption Duration Index (SAIDI) – the duration of unplanned interruptions per customer.
- unplanned System Average Interruption Frequency Index (SAIFI) – the number of times electricity supply was interrupted without warning, per customer.

Note: The above measures exclude outages from major events (e.g. AusNet major outages during the February 2024 storms).

In 2023–24, Victorian customers experienced varying performances. For some, the average unplanned interruptions per customer (SAIDI) increased, while others experienced a decrease compared to the previous financial year (see Table 6).[17]

Similarly, the number of outages (SAIFI) across Victorian distributors varied widely across distributors, compared to the previous year (see Table 7).[18]

Table 6: Average unplanned interruptions per customer

Distributor	2022-23	2023-24	% change
CitiPower	0.23	0.24	4.35
Jemena	0.68	0.72	5.88
United Energy	0.41	0.49	19.51
Powercor	1.19	1	-15.97
AusNet Services	1.21	1.25	3.31

Table 7: Minutes of unplanned interruptions per customer

Distributor	2022-23	2023-24	% change
CitiPower	16.33	20.85	27.68
Jemena	39.11	44.77	14.47
United Energy	30.9	33.42	8.16
Powercor	115	91.36	-20.56
AusNet Services	170.7	161.48	-5.40

16 This data represents the current data as of 26 September 2024. Data may have changed for previous periods because of ongoing reporting by retailers in respect of prior periods and associated reconciliation of data.
17 SAIDI is calculated as described in the *AER distribution Reliability Measures Guideline.*
18 SAIFI is calculated as described in the *AER distribution Reliability Measures Guideline.*

Market entry and exit

Our role in licensing energy businesses

The commission issues 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.

We granted 18 electricity licences in 2023–24.

Distribution, transmission, generation and wholesale licences

We granted one transmission licence, 10 electricity generation licences and four electricity wholesale licences in 2023–24. We did not grant any energy distribution licences. The granted licences are:

- Marinus Link Pty Ltd – an electricity transmission licence for undersea cables, underground cables and a converter station in various locations.
- Esso Australia Resources Pty Ltd – an electricity generation and sale licence for an ethane-powered generation site.
- Cranbourne BESS Project Co Pty Limited – an electricity generation and sale licence for a battery energy storage.
- Golden Plains WF1 Pty Ltd ATF Golden Plains WF1 Unit Trust – an electricity generation and sale licence for a wind farm.
- Ferguson Wind Farm Pty Ltd – an electricity generation and sale licence for a wind farm.
- Hawkesdale Asset Pty Ltd – an electricity generation and sale licence for a wind farm.
- Ryan Corner Development Pty Ltd – an electricity generation and sale licence for a wind farm.
- Girgarre Solar Farm Pty Ltd – an electricity generation licence for a solar farm.
- Pacific Blue Smart Communities Pty Ltd –an electricity generation and sale licence for two battery energy storage systems.
- Glenrowan Solar Farm Pty Ltd – an electricity generation and sale licence for a solar farm.
- Sun Spot 3 Pty Ltd – an electricity generation and sale licence for a solar farm.
- Y.E.S. Energy (SA) Pty Ltd – an electricity wholesale licence.
- PowerSync Pty Ltd – an electricity wholesale licence.
- Progressive Green Pty Ltd (trading as Flow Power) – an electricity wholesale licence.
- Shell Energy Retail Pty Ltd – an electricity wholesale licence.

Energy retail licenses

We granted three electricity retail licences in 2023–24:

- Tesla Energy Ventures Australia Pty Ltd.
- Flo Energy Australia Pty Ltd.
- CEP Energy Retail Pty Ltd.

Licence variations and revocations

We varied 19 licences by agreement with the licensee:

- LMS Energy Pty Ltd's electricity generation and sale licence.
- Telstra Energy (Retail) Pty Ltd's electricity retail licence.
- Globird Energy Pty Ltd's electricity retail licence.
- WINconnect Pty Ltd's electricity retail licence.
- Onsite Energy Solutions Pty Ltd's electricity retail licence.
- Wangaratta Solar Farm Pty Ltd's electricity generation and sale licence.
- Enel Energy Australia Pty Ltd's electricity wholesale licence.
- Kiata Wind Farm Pty Ltd's electricity generation and sale licence.
- Cherry Tree Wind Farm Pty Ltd's electricity generation and sale licence.
- Balance Commodities and Energy Pty Ltd's electricity retail licence.
- Solstice Energy Retail Pty Ltd's gas retail licence.
- Mortons Lane Windfarm Pty Limited's electricity generation and sale licence.
- Ipower Pty Ltd and Ipower 2 Pty Ltd's (trading in partnership as ENGIE) electricity and gas retail licences.

- AusNet Gas Services Pty Ltd's gas distribution licence.
- Australian Gas Networks (Vic) Pty Ltd's gas distribution licence.
- Australian Gas Networks Limited's gas distribution licence.
- Gas Networks Victoria Pty Ltd's gas distribution licence.
- Multinet Gas (DB No. 1) Pty Ltd and Multinet Gas (DB No. 2) Pty Ltd's (trading in partnership as Multinet Gas Distribution Partnership) gas distribution licence.

We revoked three licences by agreement with the licensee in 2023–24:

- WINconnect Pty Ltd's electricity retail licence.
- QEnergy Limited's electricity retail licence.
- Mojo Power East Pty Ltd's electricity retail licence.

License transfers

There were no licence transfers in 2023–24.

Retailer of Last Resort events

The Retailer of Last Resort scheme protects Victorian energy customers when their energy retailer fails Customers are transferred from the failed retailer to a 'Retailer of Last Resort' to make sure that their energy supply continues.

The commission previously administered the scheme in Victoria, however, it is now the responsibility of the Australian Energy Regulator.

> **Retailer of Last Resort**
>
> Australian Energy Regulator assumed responsibility for the Retailer of Last Resort scheme in Victoria on 30 July 2024 under the *National Energy Retail Law (Victoria) Act 2024* and the National Energy Retail Law (Victoria) Regulations 2024.

There were no Retailer of Last Resort events in 2023–24.

Regulatory sandboxing

Victoria's regulatory sandboxing framework

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

The commission works closely with the Australian Energy Regulator to respond to Victorian enquiries received through the Innovation Enquiry Service.[19]

While we have not received any trial waiver applications since the framework commenced, we continue to provide information and assistance to persons with enquiries.

Electricity licence exemptions

We regulate the electricity industry, including any exempt person under the General Exemption Order 2022. The new order took effect on 1 January 2023 (replacing the General Exemption Order 2017).

From 1 January 2023, most exempt persons under the General Exemption Order 2022 must provide annual reporting to the commission. The first reports were due on 31 March 2024 (for the 2023 calendar year).

The General Exemption Order 2022 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 289 electricity licence exemptions in 2023–24, a decrease of 51 per cent from the previous year.[20]

Table 8: Number of electricity licence exemptions registered[21]

Period	Quantity
2018–2019	2,026
2019–2020	351
2020–2021	354
2021–2022	337
2022–2023	586
2023–2024	289

[19] See the Australian Government's website for more information about the *Energy Innovation Toolkit.*
[20] This figure, and the figures in the following table, include embedded network sites where the sale and supply of electricity occurs under two exemption categories but has only been counted as one exemption for the purpose of this report.
[21] The General Exemption Order 2017 came into effect on 1 April 2018 and required relevant exempt persons to register with the commission. This is the reason why the number of registrations for 2018–19 is significantly higher than subsequent years.

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