



**ELECTRICITY INDUSTRY ACT 2000
APPLICATION FOR AN ELECTRICITY RETAIL LICENCE**

**Real Utilities Pty Ltd
(ACN 150 290 814)**

RECORD OF DECISION

21 October 2020

SUMMARY

Pursuant to the provisions of section 19(1) of the Electricity Industry Act 2000 (Vic) (Industry Act) the Essential Services Commission (the commission) has granted Real Utilities Pty Ltd (ACN 150 290 814) (Real Utilities) a licence to sell electricity by retail in Victoria.

BACKGROUND

Requirement to obtain a Licence

Section 16(1) of the Industry Act provides that a person must not engage in the generation of electricity for supply or sale or the transmission, distribution, supply or sale of electricity, unless the person is:

- (a) the holder of a licence authorising the relevant activity; or
- (b) is exempted from the requirement to obtain a licence in respect of the relevant activity.

Entitlement to apply for a Licence

Section 18(1) of the Industry Act provides that a person may apply to the commission for a licence authorising the person to sell electricity by retail.

The applicant

On 8 June 2018, Real Utilities submitted an application to the commission for a licence authorising it to on-sell electricity within an embedded network.

The application

Consistent with the requirements of the commission's 'Guide to Applications for Electricity Industry and Gas Industry Licences', Real Utilities has provided the commission with comprehensive documentation supporting the application.

In particular, Real Utilities presented information to provide assurance concerning its technical capacity and its financial viability.

On 19 March 2020, the commission published a copy of the application, and invited interested parties to make submissions in respect of the application.

The commission did not receive any submissions regarding the application.

CONSIDERATION OF THE APPLICATION

Section 19(1) of the Industry Act provides that the commission may grant or refuse the application for any reason it considers appropriate, having regard to the objectives of the commission under the provisions of the Industry Act and the Essential Services Commission Act 2001 (Vic) (Commission Act).

DECISION

The commission is satisfied that Real Utilities:

- has the technical capacity to comply with the conditions of the licence to be granted;
- has the financial resources to carry out the licensed activities; and
- is a fit and proper person to hold a licence to sell electricity in Victoria.

In accordance with section 19(1) of the Industry Act, and having regard to its objectives under the Commission Act and the Industry Act, the commission has decided to grant Real Utilities a licence to on-sell electricity within an embedded network in Victoria, subject to conditions specified in the licence.

The authorisation granted by the licence does not permit the sale of electricity through the wholesale market or outside embedded networks. In view of the novel nature of this licence being specifically directed to the on-selling of electricity within an embedded network, the commission considers it desirable to review the appropriateness of these licence conditions within the medium term to ensure long term interests of Victorian consumers are being met. Accordingly, the commission has determined to make the licence subject to a five year term.

THE COMMON SEAL
of the ESSENTIAL
SERVICES COMMISSION
was affixed pursuant to the
authority of the Commission
on 21 October 2020

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Kate Symons
Chairperson

