

People Energy pays penalty for failing to meet energy efficiency obligations

16 November 2020

Victorian Energy Upgrades

Victoria's energy regulator has required People Energy to pay a \$335,550 penalty after it failed to surrender enough certificates to offset its liability for the 2019 compliance year under the largest energy efficiency program in the country.

The Victorian Energy Upgrades program helps households and small businesses cut their energy bills by installing more energy efficient products. The program is funded by energy retailers who purchase certificates in proportion to the volume of electricity and gas they sell.

The penalty is equivalent to more than 6,700 Victorian energy efficiency certificates and is the second largest shortfall penalty imposed by the program administrator, the Essential Services Commission.

Under the program energy retailers are required to surrender certificates in proportion to the volume of electricity and gas they sell to Victorian customers.

For each certificate a retailer fails to surrender, the commission imposes a shortfall penalty calculated using a legislated formula. The penalty rate in 2019 was \$50.00 per certificate.

Program director Jeff Cefai says the program's integrity requires retailers to meet their obligations.

“When a retailer fails to meet its obligations, it jeopardises the program that helps Victorians be more energy efficient,” he said.

Mr Cefai says the company was granted a three-month extension in April.

“Unfortunately, they were still unable to meet the deadline, so the commission decided to issue a penalty,” he said.

Over more than a decade, the Victorian Energy Upgrades program has led to millions of inefficient energy products being removed from households and businesses across Victoria, reducing greenhouse gas emissions by more than 61 million tonnes and saving Victorians hundreds of dollars a year.

In 2018, [AGL paid a \\$3 million shortfall penalty](#) for failing to surrender more than 64,000 certificates, the largest penalty issued to date.

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