

AGL pays \$3 million in shortfall penalty

24 September 2018

Victorian Energy Upgrades

The state's energy regulator has confirmed AGL has paid a shortfall penalty of almost \$3 million after failing to surrender enough certificates to offset its liability under the Victorian Energy Efficiency Target scheme.

AGL paid \$2,991,621 after failing to surrender 64,033 Victorian energy efficiency certificates which is between 5 and 10 per cent of its total 2017 liability.

Commission chair Ron Ben-David says AGL Sales Pty Limited and AGL Sales (Queensland Electricity) Pty Limited were penalised after incurring penalties of \$1,314,887.68 and \$1,676,734.08, respectively.

"The legislation is very clear about retailers' obligations and the consequences of failing to meet those obligations.

"AGL fully understood its responsibilities but failed to surrender the correct number of certificates," said Dr Ben-David.

Under the Victorian Energy Upgrades program (also known as the Victorian Energy Efficiency Target scheme), energy retailers must 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 2017 was \$46.72 per certificate.

These are only the third and fourth penalty notices issued by the commission since the scheme's inception in 2009. The two previous notices involved payments of around \$38,000 (Momentum Energy in 2010) and \$12,000 (AGL in 2014).

"It's disappointing that a company with the experience of AGL would fail to fully comply with its obligations," said Dr Ben-David.

On 23 August 2018, the commission [issued a shortfall penalty notice](#) to AGL Sales Pty Limited and AGL Sales (Queensland Electricity) Pty Limited. Payment was received on 19 September 2018.

All other electricity and gas retailers operating in Victoria fully met their obligations to surrender certificates for the 2017 compliance year.

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[Victorian Energy Efficiency Target scheme](#)

We regulate this scheme, which aims to reduce greenhouse gases by making energy efficiency improvements more affordable for consumers.

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