

**Electricity Industry Act 2000**  
**GENERAL EXEMPTION ORDER 2022**  
Order in Council

The Governor in Council makes the following Order under section 17 of the **Electricity Industry Act 2000**:

**PART 1 PRELIMINARY**

**1. Objectives**

The objectives of this Order are:

- (a) to exempt persons from the requirement to obtain a licence under section 16 of the Act in respect of certain specified activities; and
- (b) to confer powers and functions on the Commission under section 17(2)(j) of the Act.

**2. Commencement**

This Order comes into operation on 1 January 2023.

**3. Definitions**

- (1) In this Order:

**Act** means the **Electricity Industry Act 2000**;

**AEMO** means Australian Energy Market Operator Limited ACN 072 010 327;

**annual reference consumption** for a regulatory period, in relation to supplying electricity in a distribution zone to a customer of a particular type, means the matters determined under clause 15(5) of the VDO Order for the regulatory period in relation to the supply;

**approved meter** means a meter that the holder of a licence under the Act is permitted by law to use to measure the consumption of electricity for the type of person to whom electricity is being transmitted, distributed, supplied or sold;

**business day** means a day other than a Saturday, Sunday or a public holiday in Victoria;

**commencement date** means 1 January 2023;

**Commission** means the Essential Services Commission established under the **Essential Services Commission Act 2001**;

**commitment date** for an embedded network means:

- (a) if the person intending to carry out the VR2 retail activity in respect of that embedded network is not the owner of that embedded network, the date on which that person and that owner entered into the embedded network C&O agreement required by clause 13; or
- (b) if the person intending to carry out the VR2 retail activity in respect of that embedded network is the owner of that embedded network, the date on which that person entered into an agreement for the supply and installation of the meters and the establishment of such other arrangements as are necessary for that person to carry out the VR2 retail activity in respect of that embedded network;

**connect** has the same meaning as in the National Electricity Rules;

**connection point** has the same meaning as in the National Electricity Rules;

**distribution system** has the same meaning as in the National Electricity Rules;

**distribution zone** means the area in which a licensed distribution company is licensed to distribute electricity under the Act;

**embedded network** has the same meaning as in the National Electricity Rules;

**embedded network C&O agreement** in respect of an embedded network means an agreement between the owner of that embedded network and another person under which the other person is entitled to control and operate that embedded network for the purposes of distributing electricity and supplying electricity to customers whose premises are connected to that embedded network;

**explicit informed consent** means consent is given by a customer to an exempt person where:

- (a) the exempt person, or a person acting on behalf of the exempt person, has clearly, fully and adequately disclosed, in plain English, all matters relevant to the consent of the customer, including each specific purpose or use of the consent;
- (b) the customer gives the consent to the arrangement or transaction:
  - (i) in writing, signed by the customer;
  - (ii) verbally, so long as the verbal consent is evidenced in such a way that it can be verified and made the subject of a record; or
  - (iii) by electronic communication generated by the customer; and
- (c) the customer is competent to give the consent;

**General Exemption Order 2017** means the Order in Council made under section 17 of the Act on 15 November 2017 and published in the Government Gazette No. S390 on 15 November 2017 as amended and in force immediately before this Order comes into operation;

**generation** includes co-generation;

**government agency** includes:

- (a) a Commonwealth, State or Local Government department; and
- (b) a statutory authority or government owned corporations established under a law of the Commonwealth or a State or Territory; and
- (c) a university, but does not include a housing authority or a provider of student accommodation;

**GreenPower arrangement** in respect of a calendar year means an agreement between an exempt person and a GreenPower Provider for the sale to the exempt person of a GreenPower Product for that calendar year;

**GreenPower Generator** means an electricity generator approved as such under the GreenPower Program;

**GreenPower Product** means a product accredited as such under the GreenPower Program and under which the underpinning GreenPower Generator generates electricity by utilising renewable energy sources or converting renewable energy sources into electricity;

**GreenPower Program** means the National GreenPower Accreditation Program in force from time to time managed and administered by the New South Wales Office of Energy and Climate Change on behalf of the State of Victoria and other States and Territories, collectively known as the 'National GreenPower Steering Group';

**GreenPower Provider** means a person accredited as such under the GreenPower Program;

**kVa** means 1,000 volt amps;

**large customer** means a business customer to whom peak demand of not less than 500 kVa, or consumption of not less than 160 MWh per annum is distributed, supplied or sold for commercial or industrial purposes;

**LGC** means a large-scale generation certificate created under the **Renewable Energy (Electricity) Act 2000 (Cth)**;

**licensed distribution company** means a person who is the holder of a licence under the Act to distribute electricity;

**licensed retailer** means the holder of a licence to sell electricity under the Act otherwise than through the wholesale electricity market;

**local retailer** means:

- (a) AGL Sales Pty Limited (ABN 88 090 538 337) where the supply point for the supply of electricity to the customer is located in the area in which Jemena Electricity Networks (Vic.) Ltd (ABN 82 064 651 083) was licensed to distribute electricity on 27 May 2019;
- (b) Origin Energy Electricity Limited (ABN 33 071 052 287) where the supply point for the supply of electricity to the customer is located in the area in which CitiPower Pty Ltd (ABN 76 064 651 056) (previously trading as CitiPower Pty) was licensed to distribute electricity on 27 May 2019;
- (c) EnergyAustralia Pty Ltd (ABN 99 086 014 968) (previously trading as TRUenergy Pty Ltd) where the supply point for the supply of electricity to the customer is located in the area in which AusNet Electricity Services Pty Ltd (ABN 91 064 651 118) (previously trading as SPI Electricity Pty Ltd) was licensed to distribute electricity on 27 May 2019;
- (d) Origin Energy Electricity Limited (ABN 33 071 052 287) where the supply point for the supply of electricity to the customer is located in the area in which Powercor Australia Ltd (ABN 89 064 651 109) was licensed to distribute electricity on 27 May 2019; or
- (e) AGL Sales Pty Limited (ABN 88 090 538 337) where the supply point for the supply of electricity to the customer is located in the area in which United Energy Distribution Pty Limited (ABN 70 064 651 029) was licensed to distribute electricity on 27 May 2019;

**meter** means any device that measures the quantity of electricity passing through it or that records the consumption of electricity at the customer's premises;

**metered electricity** means electricity measured by an approved meter;

**metering installation** has the same meaning as in the National Electricity Rules;

**Minister** means the Minister responsible for administering the Act;

**MW** means megawatts;

**MWh** means megawatt hours;

**National Electricity Rules** has the same meaning as in the National Electricity (Victoria) Law;

**national grid** has the same meaning as in the National Electricity Rules;

**Network Service Provider** has the same meaning as in the National Electricity Rules;

**new embedded network** means any embedded network other than an embedded network in respect of which immediately before the commencement date:

- (a) a licensed retailer was selling the electricity supplied to all of the customers' premises connected to that embedded network;
- (b) a person was selling electricity supplied to customers' premises connected to that embedded network under the exemption in the General Exemption 2017 identified in item 9 of column 1 of the table in the Schedule to this Order; or
- (c) each of the following conditions was satisfied:
  - (i) electricity had not yet been supplied from that embedded network;
  - (ii) a person intended to carry out the VR2 retail activity in respect of that embedded network after the commencement date; and
  - (iii) the commitment date for that embedded network had occurred;

**offsite renewable energy facility** in respect of an embedded network means a facility that generates electricity by utilising renewable energy sources or converting renewable energy sources into electricity that is not an onsite renewable energy facility in respect of that embedded network;

**onsite renewable energy facility** in respect of an embedded network means a facility that:

- (a) generates electricity by utilising renewable energy sources or converting renewable energy sources into electricity; and
- (b) is connected to that embedded network;

**qualifying LGC** means an LGC created for electricity generated by a power station using a renewable energy source;

**Register of Exempt Persons** means the register established and maintained under section 33C of the Act;

**regulatory period** means a period during which a VDO price determination applies;

**related company**, in relation to a person that is a company, means a company that controls or is controlled by the first company, including:

- (a) a company that is a subsidiary of the first company or of which the first person is a subsidiary; and
- (b) a company that has a common holding company to the first company;

**relevant electricity** means any electricity the person sells or, for a person selling electricity to customers whose premises are connected to an embedded network, any electricity the person sells that is supplied to that embedded network from a licensed distributor's distribution system;

**renewable energy source** has the same meaning as in the **Renewable Energy (Jobs and Investment) Act 2017**;

**residential customer** means a person who buys electricity principally for personal, household or domestic use at premises;

**small commercial/retail customer** means a business customer to whom peak demand of less than 500 kVa, and consumption of less than 160 MWh per annum, is distributed, supplied or sold for commercial or industrial purposes;

**transmission system** has the same meaning as in the National Electricity Rules;

**type** in respect of a customer means a type of customer in respect of which an annual reference consumption is determined under clause 15(5)(b)(i) of the VDO Order;

**VDO** for a regulatory period and for a residential customer in an embedded network means the estimated annual cost of the Victorian default offer determined under clause 15(4)(a) of the VDO Order for that regulatory period in relation to supplying electricity in the distribution zone in which that embedded network is located to a customer of the same or most closely corresponding type as that residential customer;

**VDO Order** means the Order in Council made under section 13 of the Act published in Special Gazette No. S 208, on Thursday 30 May 2019 and as amended from time to time;

**VDO price determination** means a price determination by the Commission pursuant to the VDO Order;

**Victorian default offer** means an offer to supply or sell electricity that is subject to a regulated price pursuant to the VDO Order;

**voluntarily surrender** in respect of a qualifying LGC means to perform all steps required of the holder of that LGC to complete the voluntary surrender of the LGC under section 28A of the **Renewable Energy (Electricity) Act 2000 (Cth)**;

**voluntary surrender arrangement** in respect of a calendar year means an agreement between an exempt person and another person under which that other person agrees:

- (a) to voluntarily surrender qualifying LGCs for the exempt person on or before the voluntary surrender date for that calendar year; and
- (b) to name the exempt person in the process of voluntarily surrendering those qualifying LGCs or, if that is not possible, to provide the exempt person with written confirmation within 5 business days of voluntarily surrendering those qualifying LGCs that they have been voluntarily surrendered for the exempt person;

**voluntary surrender date** in respect of a calendar year means 31 March following the end of that calendar year; and

**wholesale electricity market** means the market for wholesale trading in electricity operated by AEMO under the National Electricity Rules.

- (2) For the purposes of this Order, a reference to an activity that is preceded by the letters VD, VR, VND, VNR, VG or VM and a number is a reference to the activity set out in Table 1, 2, 3, 4, 5 or 6, in clause 4, 5, 6, 7, 14 or 18 respectively, against those letters and that number.
- (3) For the purposes of this Order, a reference to an agreement is to a contract or agreement, whether formal or informal or partly formal and partly informal and whether written or oral or partly written and partly oral, which is enforceable, or intended to be enforceable, by legal proceedings.

## PART 2 RETAIL AND DISTRIBUTION EXEMPTIONS

### Division 1 Retail exemption categories

#### 4. Deemed exemption of retailers

- (1) A person carrying out an activity set out in Table 1 below is exempt from the requirement to obtain a licence under section 16 of the Act in respect of that activity if:
  - (a) the relevant electricity the person sells is obtained by the person as the customer of a licensed retailer or, in the case of the VD8 retail activity only, as the customer of either a licensed retailer or another exempt person; and
  - (b) in the case of the sale of metered electricity otherwise than under the VD8 retail activity, the premises of each customer of the person is separately metered.
- (2) The exemption under subclause (1) is subject to the conditions set out in Division 3 of this Part or, in the case of the VD8 retail activity only, the condition set out in clause 12.

| Table 1 Retail activity deemed exemption |  |
|--|--|
| VD1                                      | A person selling metered electricity to fewer than 10 small commercial/retail customers whose premises are connected to an embedded network which the person owns, controls or operates.   |
| VD2                                      | A person selling metered electricity to fewer than 10 residential customers whose premises are connected to an embedded network which the person owns, controls or operates, excluding retirement villages, caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates. |
| VD3                                      | A person selling metered electricity to occupants of holiday accommodation on a short-term basis (excluding caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates).  |
| VD4                                      | A person temporarily selling metered or unmetered electricity on construction sites, where the sale is an incidental supply to facilitate bona fide construction and commissioning of new facilities on the same or an adjoining site.   |

| <b>Table 1 Retail activity deemed exemption</b> |   |
|---|---|
| VD5   | A person selling metered or unmetered electricity to a related company.   |
| VD6   | A person selling metered or unmetered electricity on or within the person's premises to customers in conjunction with, or ancillary to, the provision of telecommunications services including internet, telephone, mobile phone, fibre optic, hybrid fibre cable, television, radio, Wi-Fi or other communications technology. |
| VD7   | A government agency selling metered or unmetered electricity to customers who are not residential customers for purposes that are ancillary to their primary functions or objectives under the laws under which they are established.   |
| VD8   | A person selling metered or unmetered electricity that is used by the customer to charge an electric vehicle.   |

## 5. Exemption of registered retailers

- (1) A person carrying out an activity set out in Table 2 below is exempt from the requirement to obtain a licence under section 16 of the Act if:
  - (a) the person is registered in the Register of Exempt Persons in respect of that activity; and
  - (b) the relevant electricity the person sells is obtained by the person as the customer of a licensed retailer; and
  - (c) the premises of each customer of the person is separately metered.
- (2) The exemption under subclause (1) is subject to the conditions set out in Division 3 of this Part.

| <b>Table 2 Retail activity registration exemption</b> |   |
|---|---|
| VR1   | A person selling metered electricity to 10 or more small commercial/retail customers whose premises are connected to an embedded network which the person owns, controls or operates.   |
| VR2   | A person selling metered electricity to 10 or more residential customers whose premises are connected to an embedded network which the person owns, controls or operates, excluding sales to residents of retirement villages, caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates. |
| VR3   | A retirement village selling metered electricity to residential customers whose premises are connected to an embedded network which the retirement village owns, controls or operates.  |
| VR4   | A person selling metered electricity in a caravan park, holiday park, marina, residential land lease park or manufactured home estate.  |
| VR5   | A person selling metered electricity to large customers.  |

## Division 2 Network exemption categories

### 6. Deemed exemption of distributors

- (1) A person carrying out an activity set out in Table 3 below is exempt from the requirement to obtain a licence under section 16 of the Act in respect of that activity if:
  - (a) the person is not a licensed distribution company; and
  - (b) the electricity is supplied through facilities of the person after it leaves a supply facility owned or operated by a licensed distribution company and before it is supplied to the customer or, in the case of an embedded network, is supplied from onsite renewable energy facilities or another generator or group of generators also connected to that embedded network.

- (2) The exemption under subclause (1) is subject to the conditions set out in Division 3 of this Part or, in the case of the VND8 network activity only, the condition set out in clause 12.

| <b>Table 3 Network activity deemed exemption</b> |   |
|--|---|
| VND1   | A person supplying metered or unmetered electricity from an embedded network which the person owns, controls or operates to the connected premises of fewer than 10 small commercial/retail customers.  |
| VND2   | A person supplying metered or unmetered electricity from an embedded network which the person owns, controls or operates to the connected premises of fewer than 10 residential customers, excluding supply to residents of retirement villages, caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates. |
| VND3   | A person supplying metered or unmetered electricity to occupants of holiday accommodation on a short-term basis (excluding caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates).  |
| VND4   | A person supplying metered or unmetered electricity via plug-in or rack mounted equipment in any premises, where there is National Broadband Network equipment with an input current rating not exceeding 3 amps alternating current.   |
| VND5   | A person supplying metered or unmetered electricity to a related company.   |
| VND6   | A person supplying metered or unmetered electricity on or within the person's premises in conjunction with, or ancillary to, or to facilitate, the provision of telecommunications services including internet, telephone, mobile phone, fibre optic, hybrid fibre cable, television, radio, Wi-Fi or other communications technology.              |
| VND7   | A government agency supplying metered or unmetered electricity to customers who are not residential customers for purposes that are ancillary to their primary functions or objectives under the laws under which they are established.   |
| VND8   | A person supplying metered or unmetered electricity from an electric vehicle charging station to an electric vehicle, that is used to charge the electric vehicle.  |

## 7. Exemption of registered distributors

- (1) A person carrying out an activity set out in Table 4 below is exempt from the requirement to obtain a licence under section 16 of the Act if:
- (a) the person is registered in the Register of Exempt Persons in respect of that activity; and
  - (b) the person is not a licensed distribution company; and
  - (c) the electricity is supplied through facilities of the person after it leaves a supply facility owned or operated by a licensed distribution company and before it is supplied to the customer or, in the case of an embedded network, is supplied from onsite renewable energy facilities or another generator or group of generators also connected to that embedded network.
- (2) The exemption under subclause (1) is subject to the conditions set out in Division 3 of this Part.



| <b>Table 4</b> | <b>Network activity registration exemption</b>   |
|----------------|--|
| VNR1           | A person supplying metered or unmetered electricity from an embedded network which the person owns, controls or operates to the connected premises of 10 or more small commercial/retail customers.  |
| VNR2           | A person supplying metered or unmetered electricity from an embedded network which the person owns, controls or operates to the connected premises of 10 or more residential customers, excluding supply to residents of retirement villages, caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates. |
| VNR3           | A retirement village supplying metered or unmetered electricity to residential customers whose premises are connected to an embedded network which the retirement village owns, controls or operates.  |
| VNR4           | A person supplying metered or unmetered electricity in caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates.  |
| VNR5           | A person supplying metered electricity to large customers.   |

### **Division 3 Conditions on retail and network exemptions**

#### **8. Renewable energy generation**

- (1) It is a condition of an exemption under Division 1 for the VR2 retail activity in respect of a new embedded network that the exempt person must ensure that:
  - (a) 5 per cent or more of the electricity which the exempt person sells to residential customers in that new embedded network in each calendar year is generated by means of onsite renewable energy facilities; and
  - (b) any amount of electricity which the exempt person sells to residential customers in that new embedded network in a calendar year which is not generated by means of onsite renewable energy facilities is sourced from offsite renewable energy facilities, by ensuring that a number of qualifying LGCs equivalent to that amount of electricity is covered by any of the following mechanisms or combination of the following mechanisms:
    - (i) the exempt person voluntarily surrendering qualifying LGCs on or before the voluntary surrender date for that calendar year;
    - (ii) a voluntary surrender arrangement; and
    - (iii) a GreenPower arrangement.
- (2) It is a condition of an exemption under Division 1 for the VR2 retail activity in respect of a new embedded network that the exempt person must ensure that:
  - (a) each of the following is metered:
    - (i) electricity supplied to that new embedded network that is generated by means of that new embedded network's onsite renewable energy facilities; and
    - (ii) electricity the exempt person sells to each residential customer in that new embedded network; and
  - (b) such electricity is metered using metering installations that comply with the requirements of the National Electricity Rules applicable to the following connection points or which would be applicable to those connection points if those metering installations were registered with AEMO under the National Electricity Rules:
    - (i) each connection point between an onsite renewable energy facility and that new embedded network; and
    - (ii) each relevant connection point between a residential customer's premises and that new embedded network.



- (3) It is a condition of an exemption under Division 1 for the VR2 retail activity in respect of a new embedded network that, for each calendar year, the exempt person must:
- (a) maintain records of:
    - (i) the amount of electricity supplied to that new embedded network from a licensed distribution company's distribution system;
    - (ii) the amount of electricity supplied to that new embedded network that is generated by means of that new embedded network's onsite renewable energy facilities;
    - (iii) the amount of electricity the exempt person sells to residential customers in that new embedded network including the amount of that electricity that is generated by means of that new embedded network's onsite renewable energy facilities;
    - (iv) any qualifying LGCs voluntarily surrendered by the exempt person;
    - (v) any voluntary surrender arrangement; and
    - (vi) any GreenPower arrangement,  
for a period of at least 7 years; and
  - (b) by 31 March following the end of a calendar year, provide a summary of the amounts recorded under subclause (3)(a) for that calendar year to:
    - (i) the Commission, in the form required by the Commission; and
    - (ii) residential customers in that new embedded network to whom the exempt person sells electricity.

**Note**

The purpose of clause 8 is to ensure that, in new embedded networks where there are 10 or more residential customers, at least 5 per cent of the electricity supplied to those residential customers is generated using onsite renewable energy facilities and that the balance is covered by offsite renewable energy.

**9. Informed consent and provision of information**

- (1) It is a condition of an exemption under Division 1 that the exempt person must obtain the explicit informed consent of the customer to an arrangement for the sale of electricity to that customer.
- (2) It is a condition of an exemption under Division 1 that the exempt person must provide the following information, in plain English, to the customer before obtaining the consent referred to in subclause (1):
- (a) that the customer has the right to elect to purchase electricity from a licensed retailer of their choice, and information on the options for metering that would allow this choice;
  - (b) that the exempt person is not subject to all the obligations of a licensed retailer and the customer will not receive the same protections as it would if it were purchasing from a licensed retailer;
  - (c) the customer's rights in relation to dispute resolution including:
    - (i) the contact details of the exempt person as the initial point of contact for disputes; and
    - (ii) the exempt person's procedures for handling disputes and complaints; and
    - (iii) the right that the customer has to access a customer dispute resolution scheme approved by the Commission;

- (d) the forms of assistance available if the customer is unable to pay electricity bills due to financial difficulty, as well as the process the customer should follow to seek these forms of assistance;
  - (e) the electricity tariffs and all associated fees and charges that will apply to the customer in relation to the sale of electricity;
  - (f) the flexible payment options that are available to the customer in relation to the sale of electricity, such as arrangements for payment by periodic instalments (bill smoothing); and
  - (g) contact numbers in the event of an electricity fault or emergency.
- (3) It is a condition of an exemption under this Part that an exempt person must also provide the information set out in subclause (2):
- (a) at any time at the request of the customer or the Commission; and
  - (b) annually to the customer.

#### **10. Pricing rule**

- (1) It is a condition of an exemption under this Part other than an exemption under Division 1 in respect of the VR2 retail activity or Division 2 in respect of the VNR2 network activity that the price, or range of prices, at which electricity (and services related to the provision of electricity) may be sold or supplied under the exemption must not exceed the relevant maximum price formulated by the Commission for the purposes of this Part and published on its website and by notice in the Government Gazette.
- (2) It is a condition of an exemption under Division 1 in respect of the VR2 retail activity and under Division 2 in respect of the VNR2 network activity that the annual cost of electricity sold and supplied under the relevant exemption to a residential customer in the relevant embedded network in any regulatory period must not exceed the VDO for that regulatory period.

#### **11. Customer dispute resolution**

- (1) It is a condition of an exemption under this Part that the exempt person must enter into a customer dispute resolution scheme approved by the Commission.
- (2) Subclause (1) does not apply as a condition of a person's exemption under Division 1 in respect of the VD5, VD6 or VD7 retail activity or as a condition of a person's exemption under Division 2 in respect of the VND4, VND5, VND6 or VND7 network activity.
- (3) In approving a customer dispute resolution scheme for the purposes of this Order, the Commission must have regard to the matters set out in section 28(2) of the Act, with any necessary changes.

#### **12. Provision of information to Minister or Commission**

- (1) It is a condition of an exemption under this Part that the exempt person must provide:
- (a) to the Minister (whether or not through an agent) any information requested by the Minister; or
  - (b) to the Commission (whether or not through an agent) any information requested by the Commission,
- that the Minister or the Commission (as the case requires) requests for the administration of this Part.
- (2) Without limiting subclause (1), it is a condition of an exemption under Division 1 under which:
- (a) electricity is supplied from an embedded network to customers whose premises are connected to that embedded network; or

- (b) in the case of the VD8 retail activity, electricity is sold to a customer to charge an electric vehicle,  
that, on or before 31 March in each year, the exempt person must provide to the Commission (whether or not through an agent) in the form required by the Commission:
- (c) details of the supply facility from which the electricity is supplied to that embedded network;
- (d) details of:
  - (i) the number of residential customers, small commercial/retail customers and large customers whose premises are connected to the relevant embedded network and to whom the exempt person was selling electricity on 1 January in that year; or
  - (ii) in the case of the VD8 retail activity, the number of customers to whom the exempt person has sold electricity and the number of electric vehicles that have been charged with that electricity; and
- (e) details of the number and types of meters installed at the relevant embedded network including the owners of those meters.

**13. Arrangements for control and operation of embedded networks**

It is a condition of an exemption under Division 2 in respect of either the VND2 network activity or the VNR2 network activity that, if the exempt person is not the owner of the relevant embedded network, the exempt person must have an embedded network C&O agreement in place with the owner of that embedded network.

**Part 3 GENERATION EXEMPTIONS**

**Division 1 Generation exemption**

**14. Deemed exemption of generation**

- (1) A person carrying out the activities set out in Table 5 below is exempt from the requirement to obtain a licence under section 16 of the Act in respect of that activity.
- (2) The exemption under subclause (1) is subject to the conditions set out in Division 2 of this Part.
- (3) The exemption under subclause (1) does not apply if the relevant generator or group of generators is required by the National Electricity Rules to be centrally dispatched.
- (4) The exemption under subclause (1) does not apply to the supply or sale, or the supply and sale, of electricity generated by a generator or group of generators connected to an embedded network to customers whose premises are also connected to that embedded network.

**Note**

The generation of electricity contemplated by subclause (4) may still be exempt under this Part. The sale and supply of the generated electricity to the embedded network's customers, however, instead may need to be exempt under Part 2 in which case the conditions in Part 2, not those in Part 3, will apply to the supply and sale of that electricity.

| Table 5 Generation exemption |  |
|------------------------------|--|
| VG1                          | A person generating electricity for supply or sale, or for supply and sale, whether or not with another person, using a generator connected to the transmission system, a licensed distribution company's distribution system or an embedded network, or generators connected to any such system or network at a common point, and supplying or selling, or supplying and selling, that electricity. |

**Division 2 Conditions on generation exemptions****15. Generating capacity**

It is a condition of an exemption under this Part that the installed or nameplate generating capacity of the generator or generators is less than 30 MW.

**16. Supplies to transmission and distribution systems**

It is a condition of an exemption under this Part that any of the electricity generated by the relevant generator or group of generators that is supplied to the transmission system or to a licensed distribution company's distribution system must be sold to a licensed retailer.

**17. Provision of information to the Minister or Commission**

It is a condition of an exemption under this Part that the exempt person must provide:

- (a) to the Minister (whether or not through an agent) any information requested by the Minister; or
- (b) to the Commission (whether or not through an agent) any information requested by the Commission,

that the Minister or the Commission (as the case requires) requests for the administration of this Part.

**Part 4 MULTIPLE ACTIVITY EXEMPTIONS****Division 1 Multiple activity exemptions****18. Exemption of registered persons carrying out generation, distribution, supply and sale of electricity**

- (1) A person carrying out the activities set out in Table 6 below is exempt from the requirement to obtain a licence under section 16 of the Act if the person is registered in the Register of Exempt Persons in respect of the activities.

**Examples**

- 1. A solar power purchase agreement under which a business provides, installs and maintains, at no initial cost, a solar panel system to a customer and in exchange, the customer buys the electricity provided by the solar panels for an agreed price and for an agreed period. Any electricity that is not used is sold to a licensed retailer.
- 2. A community energy project under which a community group initiates, develops, operates and benefits from a renewable energy resource or energy efficiency initiative.
- (2) The exemption under subclause (1) is subject to the conditions set out in Division 2 of this Part.
- (3) Registration of a person as provided for in subclause (1) exempts all activities set out in Table 6 that are carried out by the registered person.

| Table 6 | Multiple activity exemption   |
|---------|---|
| VM1     | <p>Persons:</p> <p>(a) generating electricity for supply or sale, or for supply and sale on:</p> <ul style="list-style-type: none"> <li>(i) premises not owned or occupied by the person; or</li> <li>(ii) a portion of premises occupied by the person for the purpose of the generation and distribution, where the premises are not owned by the person and the remainder of the premises is not occupied by the person; and</li> </ul> <p>(b) supplying or selling, or supplying and selling, the electricity:</p> <ul style="list-style-type: none"> <li>(i) to the owner or occupier of the premises on which the generation occurs (the customer); or</li> <li>(ii) to a licensed retailer.</li> </ul> |

## Division 2 Conditions on multiple activity exemption

### 19. Pricing rule

It is a condition of an exemption under this Part that the price, or range of prices, at which electricity (and services related to the provision of electricity) may be sold or supplied under the exemption must not exceed the relevant maximum price formulated by the Commission for the purposes of this Part and published on its website and by notice in the Government Gazette.

### 20. Generating capacity

It is a condition of an exemption under this Part that the installed or nameplate generating capacity of the generator or generators installed at the relevant premises is less than 5MW.

### 21. Financially responsible market participant

It is a condition of an exemption under this Part that:

- (a) the exempt person is not the financially responsible market participant for the relevant premises; and
- (b) the financially responsible market participant for the relevant premises is a licensed retailer.

### 22. Wholesale market registration

It is a condition of an exemption under this Part that the exempt person is not registered in the wholesale electricity market for the purposes of purchasing electricity.

### 23. Sale of output of generation

It is a condition of an exemption under this Part that:

- (a) some or all of the output of the relevant generator or generators must be sold to the customer; and
- (b) any output of the relevant generator or generators not sold to the customer must be supplied or sold to a licensed retailer.

### 24. Notice of application of Australian Consumer Law (Victoria)

- (1) It is a condition of an exemption under this Part that the exempt person must provide the customer with written notice at the time of entering into the agreement for the supply and sale of electricity that the agreement is:
  - (a) covered by the Australian Consumer Law (Victoria); and
  - (b) separate from the customer's contracts with their licensed retailer and licensed distribution company, which are subject to the Act.
- (2) The notice must:
  - (a) be in plain English; and
  - (b) include a summary of the relevant rights of the customer under the Australian Consumer Law (Victoria).

**25. Provision of information to Minister or Commission**

- (1) It is a condition of an exemption under this Part that the exempt person must provide:
  - (a) to the Minister (whether or not through an agent) any information requested by the Minister; or
  - (b) to the Commission (whether or not through an agent) any information requested by the Commission,that the Minister or the Commission (as the case requires) requests for the administration of this Part.
- (2) It is a condition of an exemption under this Part that the exempt person must provide the Commission, on request, with information regarding the scale and nature of the exempt person's activities to which the exemption applies.

**Part 5 PRICE FORMULATION FUNCTION****26. Price formulation**

- (1) Pursuant to section 17(2)(j) of the Act, the following functions are conferred on the Commission:
  - (a) formulating the maximum price order under clause 10(1) for the purposes of Part 2 of this Order; and
  - (b) formulating the maximum price under clause 19 for the purposes of Part 4 of this Order.
- (2) In formulating a maximum price under subclause (1)(a) or (1)(b), the Commission:
  - (a) must have regard to commercial market data; and
  - (b) may have regard to any other matter the Commission considers relevant.
- (3) A maximum price formulated by the Commission takes effect on:
  - (a) the date which is 14 days from the date that notice of the maximum price is published in the Government Gazette pursuant to clause 10(1) or 19 (as applicable); or
  - (b) such later date as may be specified in the notice.

**Part 6 GENERAL EXEMPTION ORDER 2017****27. Revocation**

The General Exemption Order 2017 is revoked.

**Part 7 SAVINGS AND TRANSITIONAL PROVISIONS****28. Pricing rule**

Despite clauses 10 and 19, until the Commission formulates a maximum price under clause 26 in respect of a particular category of exemption or customer, the price, or range of prices, at which the exempt person may sell or supply electricity (and services related to the provision of electricity) to that customer must not be more than the tariff that would have applied to the customer had the customer purchased the electricity and related services:

- (a) on or immediately prior to 27 May 2019;
- (b) from the licensee who, on 27 May 2019, was the local retailer for electricity supplied in the electricity distribution area in which the supply point for the supply of electricity to the customer is located (**relevant licensee**); and
- (c) pursuant to the licensee standing offer determined by that relevant licensee under section 35(1) of the Act that was in effect on or immediately prior to 27 May 2019.

**29. Exemptions under General Exemption Order 2017 to continue**

A person who is exempt in respect of the carrying out of an activity under the General Exemption Order 2017 identified in column 1 of the table in the Schedule to this Order

immediately before the revocation of the General Exemption Order 2017 under clause 27 is deemed to be exempt on the commencement date in respect of the carrying out of the corresponding activity under this Order identified in column 2 of the table in the Schedule to this Order.

Dated: 27 September 2022

Responsible Minister:

HON. LILY D'AMBROSIO MP

Minister for Energy

SAMUAL WALLACE  
Clerk of the Executive Council

### Schedule TRANSITIONAL

| Column 1<br>Activity under the General Exemption Order 2017   | Column 2<br>Activity under this Order |
|---|---------------------------------------|
| <b>Retail activity deemed exemption</b>   |                                       |
| 1. Persons selling metered electricity to fewer than 10 small commercial/retail customers within the limits of a site that they own, occupy or operate.   | VD1                                   |
| 2. Persons selling metered electricity to fewer than 10 residential customers within the limits of a site that they own, occupy or operate (excluding retirement villages, caravan parks, holiday parks, residential land lease parks and manufactured home estates).                                       | VD2                                   |
| 3. Persons selling metered electricity to occupants of holiday accommodation on a short-term basis (excluding caravan parks, holiday parks, residential land lease parks and manufactured home estates).  | VD3                                   |
| 4. Persons temporarily selling electricity on construction sites, where the sale is an incidental supply to facilitate bona fide construction and commissioning of new facilities on the same or an adjoining site.   | VD4                                   |
| 5. Persons selling electricity to a related company.  | VD5                                   |
| 6. Persons selling electricity on or within the person's premises to customers in conjunction with, or ancillary to, the provision of telecommunications services. Includes internet, telephone, mobile phone, fibre optic, hybrid fibre cable, television, radio, Wi-F or other communications technology. | VD6                                   |
| 7. Government agencies selling metered electricity to non-residential customers for purposes that are ancillary to their primary functions or objectives under the laws under which they are established.   | VD7                                   |
| <b>Retail activity registration exemption</b>   |                                       |
| 8. Persons selling metered electricity to 10 or more small commercial/retail customers within the limits of a site that they own, occupy or operate.  | VR1                                   |
| 9. Persons selling metered electricity to 10 or more residential customers within the limits of a site that they own, occupy or operate, excluding sales to residents of retirement villages, caravan parks, holiday parks, residential land lease parks and manufactured home estates.                     | VR2                                   |



| <b>Column 1</b><br><b>Activity under the General Exemption Order 2017</b>   | <b>Column 2</b><br><b>Activity under this Order</b> |
|---|---|
| 10. Retirement villages selling metered electricity to residential customers within the limits of a site that they own, occupy or operate.  | VR3   |
| 11. Persons selling metered electricity in all caravan parks, holiday parks, residential land lease parks and manufactured home estates.  | VR4   |
| 12. Persons selling metered electricity to large customers.   | VR5   |
| <b>Network activity deemed exemption</b>  |   |
| 13. Persons supplying metered or unmetered electricity to fewer than 10 small commercial/retail customers within the limits of a site that they own, occupy or operate.   | VND1  |
| 14. Persons supplying metered or unmetered electricity to fewer than 10 residential customers within the limits of a site that they own, occupy or operate, excluding supply to residents of retirement villages, caravan parks, holiday parks, residential land lease parks and manufactured home estates.         | VND2  |
| 15. Persons supplying metered or unmetered electricity to occupants of holiday accommodation on a short-term basis (excluding caravan parks, holiday parks, residential land lease parks and manufactured home estates).  | VND3  |
| 16. Persons supplying electricity via plug-in or rack mounted equipment in any premises, where there is National Broadband Network equipment with an input current rating not exceeding 3 amps alternating current.   | VND4  |
| 17. Persons supplying metered or unmetered electricity to a related company.  | VND5  |
| 18. Persons supplying electricity on or within the person's premises in conjunction with, or ancillary to, or to facilitate, the provision of telecommunications services. Includes internet, telephone, mobile phone, fibre optic, hybrid fibre cable, television, radio, Wi-F or other communications technology. | VND6  |
| 19. Government agencies supplying metered or unmetered electricity to non-residential customers for purposes that are ancillary to their primary functions or objectives under the laws under which they are established.   | VND7  |
| <b>Network activity registration exemption</b>  |   |
| 20. Persons supplying metered or unmetered electricity to 10 or more small commercial/retail customers within the limits of a site that they own, occupy or operate.  | VNR1  |
| 21. Persons supplying metered or unmetered electricity to 10 or more residential customers within the limits of a site that they own, occupy or operate excluding supply to residents of retirement villages, caravan parks, holiday parks, residential land lease parks and manufactured home estates.             | VNR2  |
| 22. Retirement villages supplying metered or unmetered electricity to residential customers within the limits of a site that they own, occupy or operate.   | VNR3  |
| 23. Persons supplying metered or unmetered electricity in caravan parks, holiday parks, residential land lease parks and manufactured home estates.   | VNR4  |
| 24. Persons supplying metered electricity to large customers.   | VNR5  |

| Column 1<br>Activity under the General Exemption Order 2017   | Column 2<br>Activity under this Order |
|---|---------------------------------------|
| <b>Generation exemption</b>   |                                       |
| 25. Persons generating electricity for supply or sale where the total output by that person (whether or not with another person), using a generator or generators connected to the transmission network or distribution network at a common point, is less than 30MW.   | VG1                                   |
| <b>Multiple activity exemption</b>  |                                       |
| 26. Persons: <ul style="list-style-type: none"> <li>(a) generating or distributing electricity on:               <ul style="list-style-type: none"> <li>(i) premises not owned or occupied by the person; or</li> <li>(ii) a portion of premises occupied by the person for the purpose of the generation and distribution, where the premises are not owned by the person and the remainder of the premises is not occupied by the person; and</li> </ul> </li> <li>(b) supplying or selling the electricity:               <ul style="list-style-type: none"> <li>(i) to the owner or occupier of the premises on which the generation occurs (the customer); or</li> <li>(ii) to a licensed retailer.</li> </ul> </li> </ul> | VM1                                   |