

VICTORIAN

Energy Market

REPORT

June 2024

Energy in Victoria



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.

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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*.

Important notice

The information in this publication is to meet statutory reporting requirements and provide general guidance only. It does not constitute legal or other professional advice and should not be relied on as a statement of the law in any jurisdiction. While the commission has made every reasonable effort to provide current and accurate information, you should obtain professional advice if you have any specific concern, before relying on the accuracy, currency or completeness of this information.

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Chairperson's foreword

I am pleased to present the June 2024 Victorian Energy Market Report – my last as Chairperson of the Essential Services Commission.

During my tenure, I have seen the commission evolve from a traditional pricing regulator of monopoly services to a stronger consumer-focused regulator. Today, Victorians are entitled to nation-leading consumer protections and the commission has the investigative tools and enforcement pathways of a modern regulator.

I have always put consumers at the heart of my decisions and leadership during my time as Chairperson of the Essential Services Commission.

I am particularly proud of the collaborative, community and consumer-centred approach the commission takes with decisions that affect the lives of all Victorians. Our *Getting to Fair* strategy, released in August 2021, heralded a fundamental shift to the intersection between economic regulation and protecting consumers who face barriers to accessing essential services.

In addition, the commission played a role in supporting the community during the COVID-19 pandemic by ensuring that Victorian consumers, particularly those experiencing vulnerability, maintained supply to essential services.

We continue to develop and implement consumer protections for energy consumers.

Our recently announced [Safety by Design](#) partnership with key leaders in family violence and economic abuse will develop better practice guides to support consumers who are experiencing family violence. The guides will help businesses identify risks and harms in their systems and processes.

In March 2022, our investigative tools and enforcement pathways were enhanced, enabling us to commence civil litigation in relation to contraventions of the Victorian energy rules. In December 2023, for the first time, we commenced civil penalty proceedings in the Supreme Court of Victoria against energy retailers.

We also introduced guidelines to help promote energy retailers' compliance with the rules. For example, the Best Offer Guideline provides retailers with guidance on how to communicate clear, timely and transparent information to customers to help them engage confidently with the energy market.

This report highlights the continuation of our actions to support consumers and businesses.

Every year, the Essential Services Commission sets a Victorian Default Offer (VDO). The VDO gives consumers a reasonably priced electricity option if they cannot (or don't want to) engage in the energy market. All Victorian energy retailers must offer their customers the VDO.

From 1 July 2024, average annual bills (based on default offer prices) will go down by six per cent for residential customers and seven per cent for small business customers. This determination followed extensive consultation and economic analysis of the market.

This price cut will give customers on standing offers relief and help alleviate cost-of-living pressures for all Victorians.

We have continued our strong actions against non-compliance with energy rules.

We accepted a court enforceable undertaking from AusNet. AusNet failed to provide adequate power outage information and communication channels to its customers following significant storm events in February 2024.

The enforceable undertaking represents a legally binding obligation for AusNet to directly contribute \$12 million to provide remediation to affected customers. It must also improve community energy resilience to extreme weather events.

In January 2024, Origin paid over \$295,000 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 on those customers.

In March 2024, Blue NRG paid over \$436,000 in penalties for allegedly breaching rules related to Guaranteed Service Level (GSL) payments between July 2021 and June 2022. Victorian energy rules require distributors to make GSL payments to customers when guaranteed service levels are not met.

These penalties reflect how seriously the commission takes non-compliance with customer rights and protections.

The number of electricity and gas customers on tailored assistance has increased since March 2023.

There was also a decrease in the average arrears for customers who cannot afford to pay their ongoing energy use. These figures highlight the importance of energy retailers engaging early with customers who are struggling to pay their bills.

This report updates our June 2023 review of GreenPower options.¹ We found that customers on a 100 per cent GreenPower electricity plan can potentially save up to \$284 annually for the same level of emissions reduction (depending on the retailer they choose).

As always, we remind Victorian energy consumers about their rights and the protections available. Please see our website for this information.²

Kate Symons
Chairperson and Commissioner

¹ See our [Victorian Energy Market Report – June 2023](#).

² See our [website](#) for more information on energy consumer rights.

Energy in Victoria

January – March 2024

Compliance and enforcement



Penalty notices issued to three retailers and over \$730,000 in penalties paid in total.

Disconnections



1,697 residential electricity customers were disconnected for non-payment across the quarter.

Customers experiencing payment difficulty



70,839 residential electricity customers accessing tailored assistance.

62,370 residential gas customers accessing tailored assistance.

Market entry and exit



We granted four electricity generation licences.

We registered 31 electricity licence exemptions between January and March 2024.

Reports and reviews



We published our final decision on the Victorian Default Offer price review 2024-25 in May 2024, with changes to come into effect from 1 July 2024.



Compliance and enforcement activities

Compliance and enforcement priorities for 2024–25

The commission's annual energy [compliance and enforcement priorities](#) promote transparency and competition in the Victorian energy market for the long-term interests of consumers.

Our 2024–25 priorities are:

- the Payment Difficulty Framework
- disconnections for non-payment
- protecting customers experiencing vulnerability
- statutory land access powers
- consumer protections during widespread unplanned outages and emergency management
- gas connection abolishment.

The commission will continue to build community and consumer trust in the energy market by promoting and enforcing compliance in these areas. Beyond our priorities, the commission takes action where we identify harm associated with significant non-compliance with energy laws.

See our [compliance and enforcement policy](#) for more details about our approach.

Our enforcement activities

We use our enforcement powers in the public interest, aiming to:

- protect consumers, especially those experiencing vulnerability
- deter future non-compliance
- limit the ability of a business to benefit from non-compliance
- enhance trust in the energy market.

We will continue to act, including considering litigation, when we uncover evidence that energy businesses have allegedly contravened priority consumer protections.

Enforceable undertakings

On 13 February 2024, Victoria experienced a catastrophic storm event. 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 Electricity Services Pty Ltd (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.¹ Under the terms of the undertaking, AusNet has agreed to undertake remediation actions. This includes commissioning independent reviews into its response to the storms.

It also includes issuing an additional \$2 million to its previously announced Energy Resilience Community Fund. AusNet also published a full-page public apology in the Herald Sun on 5 May 2024, and in The Age on 5 June 2024.

This brings AusNet's total commitment to \$12 million. The additional \$2 million will go directly to the Brotherhood of St Laurence, St Vincent de Paul and Financial Counselling Australia to further support consumers experiencing vulnerability.

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

¹ See the [Enforceable Undertaking](#) for the full details of AusNet's court enforceable undertaking.

ReAmped Energy enters court enforceable undertaking for 'best offer' failures

On 30 April 2024, the commission accepted a court enforceable undertaking from ReAmped Energy Pty Ltd (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 January and March 2024, Origin Energy (Vic) Pty Ltd, Origin Energy Electricity Limited (together, **Origin**) and Blue NRG Pty Ltd (**Blue NRG**) paid penalty notices totalling \$732,048. These notices related to alleged contraventions of family violence obligations and rules regarding Guaranteed Service Level (GSL) payments to consumers.

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 GSL 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 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.

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) and in December 2023 and February 2024, 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.

Our compliance activities

The commission's compliance function actively supports voluntary compliance with Victorian energy rules and laws in line with the commission's compliance and enforcement policy.

Compliance reviews

In June 2024, we commenced compliance reviews for three Victorian energy retailers. A compliance review is a tailored assessment of an energy business' compliance with particular obligations in Victoria's energy rules and laws.

Compliance reviews are an integral part of the commission's strategy to ensure consumers are protected under Victoria's energy regulations and laws.

The reviews focus on the critical customer protections in Victoria's Payment Difficulty Framework.

The three retailers subject to the reviews are AGL Sales Pty Ltd, Alinta Energy Pty Ltd and 1st Energy Pty Ltd. We expect to publish the key findings and outcomes of the reviews later in 2024.

ENGIE undergoes audit on the accuracy of data reported to the commission

In March 2024, we met with senior leaders of ENGIE (previously trading as Simply Energy), raising concerns of the level of support it offers to customers experiencing payment difficulty. At the meeting, ENGIE advised that it had found significant errors in the data it reported to us. The commission is conducting an ongoing investigation regarding this matter.

The commission takes accurate reporting seriously. In May 2024, we directed ENGIE to conduct a compliance review of its reporting processes. ENGIE must engage an independent third-party auditor to provide reasonable assurances of the accuracy and reliability of its data under the ASAE 3000 standard, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

ENGIE's data will be excluded from our Victorian Energy Market Report and Dashboard until we are satisfied that the data it reports is accurate. Its data was already excluded from our March 2024 update.

Voltage performance reporting – distributors

We continued to monitor all Victorian energy distributors' voltage performance in the January to March 2024 quarter. We tracked these variations on our website to highlight the data Victorian electricity distributors provided.²

This includes both over-voltage and under-voltage data and factors that impact a distributor's ability to meet the required performance levels. We will update our website once we have finalised internal review of distributor data for this quarter.

February 2024 storms impact

Widespread storms in February 2024, impacted large parts of Victoria and the electricity network. These storms may have affected distributors' voltage performance. Extreme weather events, as well as other factors, can contribute to periods of unexpected voltage levels. We have published each distributor's unadjusted voltage performance data.

Distributors must comply with voltage performance obligations, even in severe weather events. This includes using their best endeavours to minimise the frequency of voltage variations at all times.

² See [voltage performance data](#).

Education and engagement

'Crack the Code'

We held an online 'Crack the Code' session regarding the commission's [Guideline 1 \(2023\): Form and content of deemed best offer messages](#) for industry.

This session aimed to:

- educate Victorian energy retailers about the guideline
- promote voluntary compliance and the adoption of better practice.

This included clarifying and strengthening the best offer messages which retailers must provide to customers to help them navigate the Victorian energy market confidently.

Financial Counsellors Victoria 2024 Summit

In March 2024, the commission participated in the Financial Counsellors Victoria 2024 Summit. This was a great opportunity to engage with community sector and industry stakeholders regarding the commission's work in protecting customers experiencing vulnerability in both the energy and water sectors.

In May 2024, we launched our new work program – Safety by Design. The commission is partnering with experts to promote better practice approaches among water and energy businesses in response to the need to address family violence related risks arising in the utilities sectors.

Behavioural insights

We recently celebrated the commission's 30th anniversary with a full day conference on 18 April 2024. The event featured an interactive presentation led by Commissioner Sitesh Bhojani, that brought together behavioural science and legal experts to discuss regulatory approaches to compliance and enforcement.

The session explored how applying behavioural insights to our approaches can improve compliance of regulated businesses, and discussed how traditional regulatory tools and behavioural design can complement each other in achieving an outcome of a compliance action. We will be introducing behavioural design to our suite of regulatory compliance tools and will promote compliance informed by behavioural insights.



Wrongful disconnections

Wrongful disconnections are a compliance and enforcement priority for the commission.

We have seen an increase in potential non-compliance relating to meter abolishment in the January to March 2024 quarter. We are especially concerned where a wrongful disconnection sees the physical removal of a meter. Incorrect removal of a meter may mean significant reconnection times for customers. This potentially leaves customers without supply for lengthy periods of time.

We encourage Victorian energy businesses to review their processes, systems and procedures regarding meter abolishment requests to help reduce the negative impacts on customers and the risk of non-compliance.

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.

Table 1 and Table 2 summarise the number of customers affected by wrongful disconnections and the amount of compensation paid to affected customers.³

The data from these tables is self-reported by energy retailers, which are legally obligated to provide these reports to the commission in relation to wrongful disconnections.

Retailers self-reported significantly fewer wrongful disconnections this quarter, compared to the October to December 2023 quarter. This was mainly due to a high number of reports submitted to the commission by Origin Energy Electricity Limited comparative to other retailers in the October to December 2023 period. This did not continue in the most recent quarterly data we obtained.

Table 1: Number of customers affected by wrongful disconnections (self-reported by retailers in compliance with legal obligations to the commission)

Total customers affected		
Retailer	October to December 2023	January to March 2024
AGL Sales Pty Ltd	1	2
EnergyAustralia Pty Ltd	1	Nil
Lumo Energy	Nil	2
Momentum Energy	3	3
Next Business Energy	2	1
Origin Energy Electricity Limited Origin Energy (Vic) Pty Limited	126	3
Powershop	Nil	1
Red Energy	1	Nil
Simply Energy	Nil	1
Sumo Power	1	2
Total	135	15

Table 2: Wrongful disconnection compensation paid in relation to self-reported in compliance with legal obligations to the commission

Total compensation paid		
Retailer	October to December 2023	January to March 2024
AGL Sales Pty Ltd	\$1,121	\$332
EnergyAustralia Pty Ltd	\$188	Nil
Lumo Energy	Nil	\$233
Momentum Energy	\$3,307	\$1,666
Next Business Energy	\$2,400	\$500
Origin Energy Electricity Limited Origin Energy (Vic) Pty Limited	\$219,553	\$6,699
Powershop	Nil	\$3,500
Red Energy	\$3,500	Nil
Simply Energy	Nil	\$203
Sumo Power	\$113	\$1,071
Total	\$230,181	\$14,204

³ This data represents the current figures as at 17 April 2024. Figures may have changed for previous periods as a result of ongoing reporting by retailers in respect of prior periods and associated reconciliation of data.



Customers experiencing payment difficulty

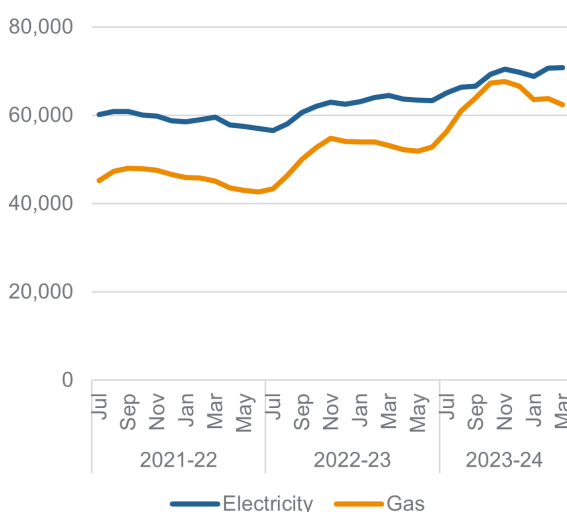
More customers continue to receive payment assistance⁴

In March 2024 there were 70,839 electricity customers accessing tailored assistance. This is a 10 per cent increase compared to March 2023.

Despite a seasonal drop in gas customers accessing tailored assistance to 62,370 in March 2024, this was a 17 per cent increase to the same time last year.

Over the past two years, for both electricity and gas, there has been a trend of increasingly more customers accessing tailored assistance (Figure 1).

Figure 1: Number of customers accessing tailored assistance, by fuel



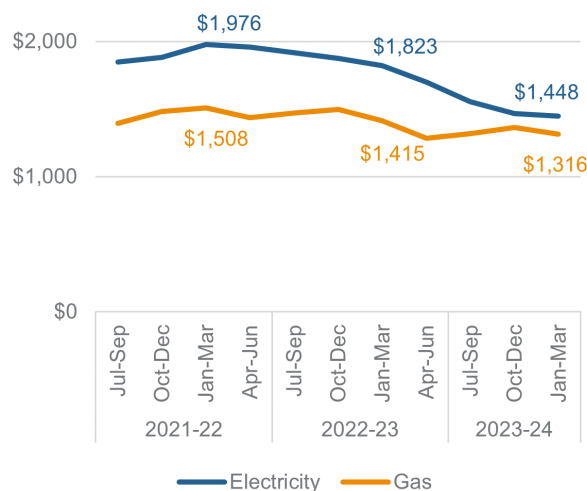
Disclaimer: This chart represents all Victorian retailers excluding Engie (previously trading as Simply Energy) due to reporting issues.

Average arrears have decreased for tailored assistance customers who cannot pay for their on-going energy use⁴

Promisingly, as tailored assistance numbers increased, there was a decrease in the average arrears of those customers who are facing the greatest difficulty managing their energy costs.

Average arrears for these customers – who cannot pay for their on-going energy use – saw a two-year reduction of 27 per cent to \$1,448 for electricity and of 13 per cent to \$1,316 for gas (Figure 2).

Figure 2: Average arrears of customers accessing tailored assistance that cannot pay their ongoing energy use

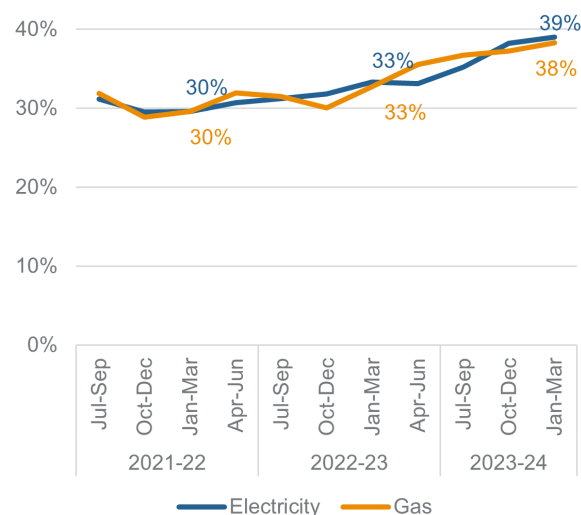


Note: Data labels denote observations between January and March.

Disclaimer: This chart represents all Victorian retailers excluding Engie (previously trading as Simply Energy) due to reporting issues.

This is important, as over the same period the proportion of tailored assistance customers that cannot pay their ongoing use has increased to 39 per cent for electricity and 38 per cent for gas (Figure 3).

Figure 3: Percentage of tailored assistance customers that are unable to pay their ongoing energy use



Note: Data labels denote observations between January and March.

Disclaimer: This chart represents all Victorian retailers excluding Engie (previously trading as Simply Energy) due to reporting issues.

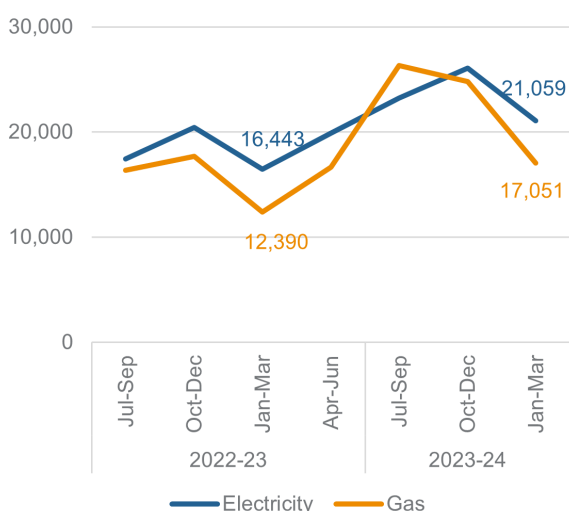
Given this time, it is important that retailers support customers as early as possible, to reduce the risk of accumulating more arrears.

⁴ The analysis relating to tailored assistance covers all Victorian retailers excluding Engie (previously trading as Simply Energy) due to reporting issues. Engie is currently undergoing an audit to provide assurances of the accuracy of its submitted data.

More energy customers are receiving government assistance grants

There was a notable increase in the number of Utility Relief Grant applications during the January to March 2024 quarter, compared to the same time last year (Figure 4). Compared to January to March 2023, the number of applications submitted increased by 28 per cent for electricity and 38 per cent for gas.

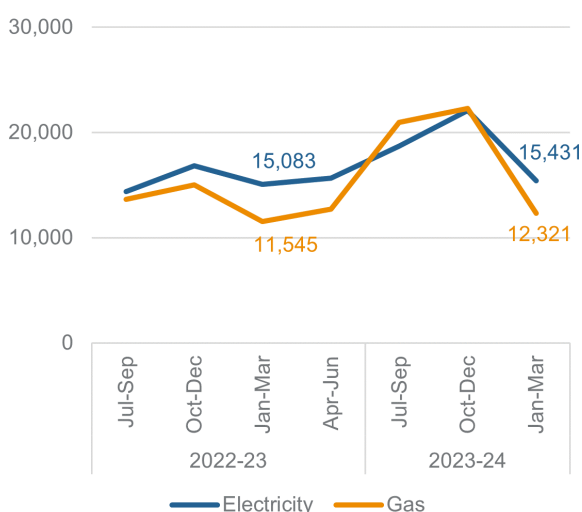
Figure 4: Utility Relief Grant applications completed and submitted (total every quarter)



Note: Data labels denote observations between January and March.

This increase in submissions converted to only a small increase in the number of approvals (Figure 5), indicating the approval rate in January to March 2024 has deteriorated compared to the same time last year.

Figure 5: Utility Relief Grant applications approved (total every quarter)



Note: Data labels denote observations between January and March.

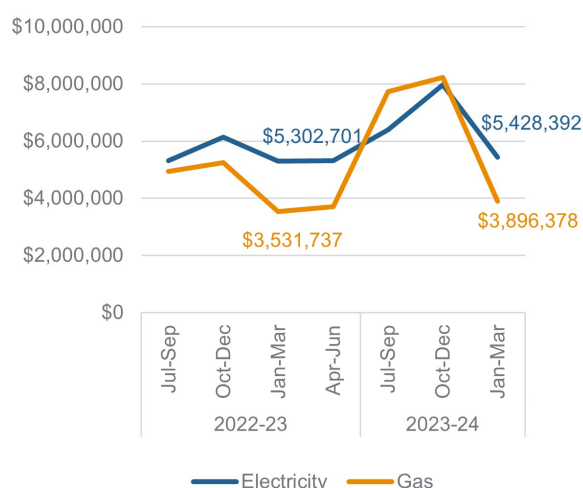
Retailers must help customers apply for Utility Relief Grants

Retailers must support a customer in completing a Utility Relief Grant application. This includes helping their customers to complete their form over the phone and submitting the application. They must also provide information to customers about other government and non-government assistance (such as concessions).

The total amount of Government assistance grants paid to electricity customers increased by two per cent and by 10 per cent for gas customers compared to the same period in 2023 (Figure 6).

On average, the value of each approved application was \$352 for electricity and \$316 for gas during January to March 2024.

Figure 6: Utility Relief Grant amount paid (total every quarter)



Note: Data labels denote observations between January and March.



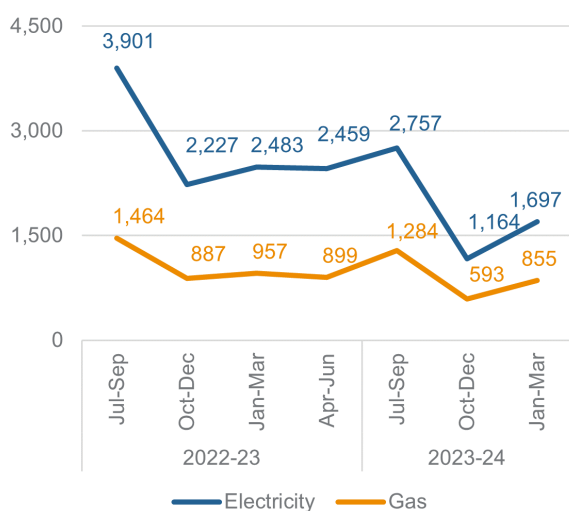
Disconnections

Fewer energy customers were disconnected despite more customers being at risk of disconnection⁵

Fewer customers were disconnected for non-payment during January to March 2024 compared to the same period in 2023.

From January to March 2024, retailers disconnected 1,697 electricity and 855 gas residential customers for non-payment, compared to 2,483 electricity and 957 gas from January to March 2023 (Figure 7).

Figure 7: Total residential customers disconnected for non-payment



Disclaimer: This chart represents all Victorian retailers excluding Engie (previously trading as Simply Energy) due to reporting issues.

These results are driven by large retailers. These retailers supply energy to over 77 per cent of residential customers.

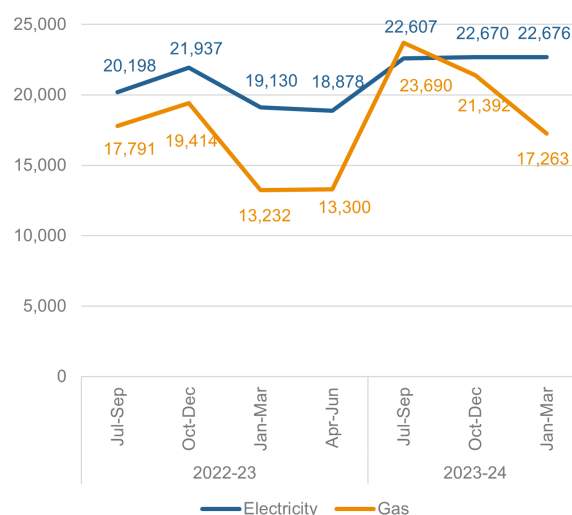
Before a retailer can disconnect a customer, it must send them a disconnection warning notice. A customer will not be sent the notice if they are receiving payment assistance.

Despite the decrease in disconnections, retailers sent more disconnection warning notices to customers compared to last year.

Around 23,000 electricity and 17,000 gas disconnection warning notices were sent each month from January to March 2024 – an increase from 19,000 electricity and 13,000 gas notices sent at the same time in 2023 (Figure 8).

We continue to monitor how energy businesses have been engaging with customers.

Figure 8: Monthly disconnection warning notices sent by retailers



Disclaimer: This chart represents all Victorian retailers excluding Engie (previously trading as Simply Energy) due to reporting issues.

Disconnection for non-payment is a measure of last resort

An energy retailer should only disconnect electricity or gas supply as a last resort, and only after it has followed rules to offer customers with assistance.

Retailers are required to offer assistance to any customer who misses paying a bill. Retailers cannot disconnect a customer if they are receiving assistance.

Retailers are only allowed to begin steps to disconnect a customer if they owe \$300 or more. Retailers must send a reminder notice and a disconnection warning notice before disconnecting a customer.

⁵ The analysis relating to payment assistance covers all Victorian retailers excluding Engie (previously trading as Simply Energy) due to reporting issues. Engie is currently undergoing an audit to provide assurances of the accuracy of its submitted data.



GreenPower offers

GreenPower accredited products enable consumers to purchase between 10 and 100 per cent of their electricity from a renewable source.⁶

Retailers continue to make GreenPower options available to consumers. Since June 2023, three new 100 per cent GreenPower offers have entered the market.

However, there remain significant differences between the most and least expensive GreenPower options.

This is because retailers continue to offer significantly different prices for the same GreenPower product (Table 1).

Last year, GreenPower customers could achieve the same level of emissions reduction and save up to \$284 by shopping around. We continue to find savings of up to \$284 for GreenPower customers that shop around.

We recommend consumers consider their bill's total cost when comparing GreenPower offers, not solely the GreenPower add-on cost.

Table 3: Additional costs in March 2024, by GreenPower option

10% GreenPower		50% GreenPower		100% GreenPower	
Energy Locals	0.60 c/kWh	Origin Energy	1.40 c/kWh	Origin Energy	2.80 c/kWh
Lumo Energy	0.48 c/kWh	Energy Locals	3.00 c/kWh	Powershop Australia	5.50 c/kWh
EnergyAustralia	0.50 c/kWh	CovaU	2.20 c/kWh	Energy Locals	6.00 c/kWh
Momentum Energy	0.50 c/kWh	Momentum Energy	2.48 c/kWh	CovaU	4.40 c/kWh
Dodo Power & Gas	0.99 c/kWh	Diamond Energy	2.75 c/kWh	AGL	4.40 c/kWh
				Engie (Simply Energy)	50 c/day
				Red Energy	4.84 c/kWh
				Momentum Energy	4.95 c/kWh
				EnergyAustralia	4.95 c/kWh
				Ovo Energy	4.95 c/kWh
				Diamond Energy	5.50 c/kWh
				Amber Electric	6.58 c/kWh
				Dodo Power & Gas	9.90 c/kWh
Difference between the highest and the lowest GreenPower costs (\$/year)					
\$20		\$64		\$284	

Source: Retailers' energy offer fact sheets

⁶ Retailers' GreenPower charges can take the form of usage-based rates (c/kWh) or fixed charges (\$/day or \$/week). We do not report on the 20, 25 and 75 per cent GreenPower options due to a small number of observations.

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.

Distribution, transmission and generation licences

We granted four electricity generation licences. We did not grant any energy distribution or transmission licences.

- Hawkesdale Asset Pty Ltd – electricity generation and sale licence for a wind farm.
- Ferguson Wind Farm Pty Ltd – an electricity generation and sale licence for a wind farm.
- Golden Plains WF1 Pty Ltd as trustee for Golden Plains WF1 Unit Trust – an electricity generation and sale licence for a wind farm.
- Cranbourne BESS Project Co Pty Limited as trustee for the Cranbourne BESS Project Trust – an electricity generation and sale licence for a battery energy storage system.

Energy retail licences

We did not grant any energy retail licences.

Licence variations and revocations

We did not revoke any licences. We varied four licences by agreement with the licensee:

- Cherry Tree Wind Farm Pty Ltd's electricity generation and sale licence
- Kiata ProjectCo 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.

Licence transfers

We did not approve any licence transfers.

Retailer of Last Resort events

The commission administers the Retailer of Last Resort scheme in Victoria. The scheme protects Victorian energy customers when their energy retailer goes out of business. Customers are transferred from the failed retailer to a 'Retailer of Last Resort' to make sure that their energy supply continues.

There were no Retailer of Last Resort events in the period.

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.⁷

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 administer the General Exemption Order 2022. The new order took effect on 1 January 2023 (replacing the General Exemption Order 2017).

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 31 electricity licence exemptions between January and March 2024.

⁷ See the Australian Government's website for more information about the [Energy Innovation Toolkit](#).



Reports and reviews

Victoria Default Offer price review 2024–25

We have set the Victorian Default Offer prices to apply from 1 July 2024 to 30 June 2025.

Average annual bills based on default offer prices will go down by six per cent for residential customers and go down by seven per cent for small business customers.

The decrease in the default offer prices is mainly due to decreases in estimated wholesale electricity costs. This is partly offset by increases in network costs.

The changes to the Victorian Default Offer tariffs will come into effect from 1 July 2024.

The Electricity System Code revocation

We revoked the Electricity System Code to take effect from 31 May 2024. We consider that the Electricity System Code is no longer a relevant instrument and should not be subject to our enforcement powers. It overlaps significantly with the National Electricity Rules. We considered that revoking the code will clarify the regulatory framework for the Victorian energy industry.

Revoking the code required consequential changes in electricity transmission licences. Most electricity transmission licences were not consistent with our latest standard licence conditions or with our enforcement powers.

In our draft decision, we proposed a new standard electricity transmission licence which would update licence conditions and remove redundant or obsolete conditions. We worked with transmission licensees to finalise updated licence conditions.

We varied the current electricity transmission licences in accordance with an updated template electricity transmission licence. We addressed stakeholder comments on licence conditions as part of that separate decision. We updated the existing transmission licences on 31 May 2024.

Minimum feed-in tariff review 2024–25

We released our final decision for the 2024–25 feed-in tariff in February 2024. The flat minimum feed-in tariff for the 2024–25 financial year is 3.3 cents per kilowatt hour (kWh). The time-varying minimum feed-in tariffs range from 2.1 to 8.4 cents per kWh.

The minimum feed-in tariffs for 2024–25 reflect the changing value of solar exports amid increased solar generation in the market and low wholesale electricity prices during sunlight hours.

The 2024–25 minimum feed-in tariffs will apply from 1 July 2024.

