ESSENTIAL SERVICES COMMISSION

Registration Guideline for Exempt Persons

Information and application requirements for persons exempt from having a Victorian licence for the sale or supply of electricity

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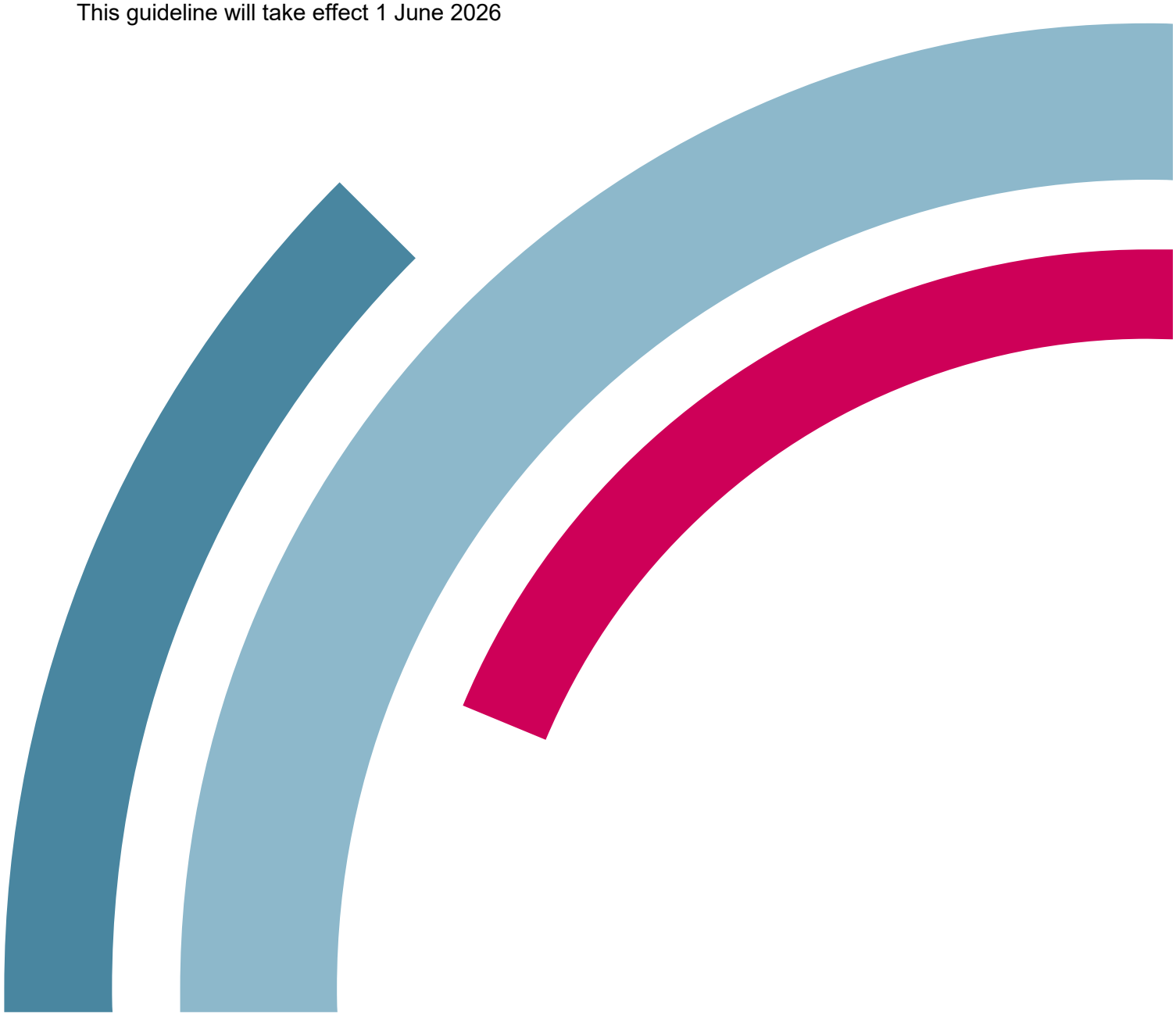

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Contents

Introduction **1**

Purpose of this document 3

Who needs to register? **4**

Retail activity exemptions 4

Individually metered and itemised charges 4

Not individually metered and itemised charges 4

Network activity exemptions 5

An exempt person that is both seller and supplier for a site 5

Types of exempt persons that are required to register 5

Multiple activity exemptions 6

SPPA providers 6

Community energy projects 6

Registration requirements 7

Who does not need to register? **8**

In certain circumstances, persons selling or supplying electricity will not need to register their exemption with the commission. Instead, they will be automatically deemed to be exempt. 8

Deemed Exemption Categories 8

Electricity generators 9

What happens if an exempt person does not register? **10**

Conditions on retail and network exemptions **11**

Renewable energy generation – new embedded networks 11

Informed consent and provision of information 12

Pricing rule 12

Customer dispute resolution 12

Provision of information to Minister or Commission 13

Embedded networks 13

Renewable energy condition 13

Electric vehicle charging 14

Embedded networks 14

Registration information requirements **15**

Information the commission is required to collect and publish under legislation 15

Other information the commission collects and publishes 15

Other information the commission requires but does not publish 17

How to register **18**

Are there any costs for registering? 18

What happens after an exempt person registers? 19

Editing registration details 19

Annual update 19

Changes and updates outside the annual update 19

Glossary **21**
Appendix A – Exemption categories **25**
Table 1 - Retail activity deemed exemption 25
Table 2 - Retail activity registration exemption 26
Table 3 - Network activity deemed exemption 26
Table 4 - Network activity registration exemption 28
Appendix B – General Exemption Order 2022 **29**
Document version control 51

Introduction

Victoria has its own electricity licensing and exemptions framework. This means that persons undertaking a regulated activity, such as the sale or supply of electricity, need a licence unless there is an exemption that applies.

The General Exemption Order 2022 (GEO 2022) sets out two classes of exemptions, deemed and registration exemptions.

Deemed exemptions

Deemed exemptions are automatic and do not need to be registered with the commission.

Registration exemptions

Registration exemptions require the person undertaking the activity[1] to apply to register their exemption with the commission, as a condition of the exemption.

The GEO 2022 requires most people and businesses that on-sell[2] or supply electricity within the limits of a site that they own, occupy or operate (who are not required to have an electricity licence) to register with the commission as an exempt person. These retail and network registration exemptions are specified in the GEO 2022.

A person who is the customer of a licensed retailer and who on-sells electricity to customers within an embedded network which must be separately metered, may require a **retail activity registration exemption**.[3]

A person who supplies electricity through its facilities, after that electricity has left a supply facility of a licensed distributor or where that electricity is supplied from onsite renewable energy facilities or generator(s) connected to that embedded network, before that electricity is supplied to the customer may require a **network activity registration exemption**.[4]

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[1] A person undertaking a sale or supply of electricity activity may include an owner's corporation, a residential village manager, a caravan park operator, an embedded network operator and others. Whether or not the person is engaging in the sale or supply of electricity will depend on the nature of the activities engaged in, including the nature of the contractual arrangements with customers.

[2] The electricity that is on-sold must have been purchased from a licensed electricity retailer.

[3] Refer to table 2 of the GEO 2022.

[4] Refer to table 4 of the GEO 2022.

If a single person or business is both selling **and** supplying electricity, they may be required to register both activities with the commission – one registration as a seller (retail exemption) and another registration as a supplier (network exemption).[5]

Certain solar power purchase agreement (SPPA) providers and community energy projects may need to register with the commission.

Register of exempt persons

Victorian legislation requires the commission to establish a public register of exempt persons who are obligated to register with the commission as a condition of their exemption. It also specifies information the commission is required to enter into the register and allows the commission to include any other information we consider appropriate.[6]

Some exemptions have additional reporting requirements as a condition of their exemption. The commission publishes templates on our website to assist exempt persons in providing information in the required format to meet these reporting obligations.

Certain details about registered exempt persons will be published on the commission's public register. Other information provided to the commission by registered exempt persons is not published on the public register.

Registration as an exempt person and the conditions which accompany registration provide protections to customers. It also provides the community and commission with a better understanding of the scale and scope of these segments of the electricity market. This information helps the commission identify appropriate customer protections and monitor and enforce compliance.

Customers of registered exempt persons can search the commission's public register to identify their electricity provider and obtain contact details. This information is helpful for customers who have an enquiry or need to resolve a complaint about the sale or supply of their electricity, including through the approved external dispute resolution body.[7] Lastly, a customer can notify the commission if they believe their electricity seller or supplier should be registered but it is not on the public register.

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[5] Subject to the requirements in Divisions 1 and 2 of Part 2 of the GEO 2022.

[6] Section 33C of the Electricity Industry Act 2000.

[7] Clause 11 of the GEO 2022 requires an exempt seller or supplier (save for the exceptions specified in clause 11(2)) to enter into a customer dispute resolution scheme approved by the commission. EWOV is the approved external dispute resolution body for the purposes of the GEO 2022.

Purpose of this document

The purpose of this document is to provide information to exempt persons about how to apply for a registration exemption. It is important that persons assess whether or not they meet the conditions of an exemption as specified in the GEO 2022, including the pre-conditions. If a person is selling, supplying or generating electricity and is unsure whether they are eligible for an exemption, they should seek independent advice. Generating, supplying or selling electricity without a licence or an exemption is an offence under Victorian law.

This guideline is published pursuant to section 13 of the Essential Services Commission Act 2001.

Who needs to register?

Classes and categories of exemption who do not fall under the deemed exemptions need to register.

The GEO 2022 outlines different classes and categories of exemption with reference to the types of activities (for example selling, supplying) and types of customers and sites in which those activities are undertaken (for example caravan parks, retirement villages, construction sites, electric vehicle charging station and so on).

One of the main purposes of this guideline is to explain who has to register and therefore, it does not discuss in detail those categories that qualify for a deemed exemption. To determine whether an activity is eligible for a deemed exemption, please refer to divisions 1 and 2 of part 2 of the GEO 2022 in Appendix B.

Retail activity exemptions

Most people and businesses who are the customers of a licensed electricity retailer and on-sell separately metered electricity to other people and businesses are required to register with the commission. This is called a retail activity registration exemption and refers to selling electricity. Refer to Appendix A for the retail activity deemed and registration exemption categories.

Individually metered and itemised charges

If the provider sells electricity that is individually metered under a retail activity registration exemption included in Table 2 of the GEO 2022, it **must register with the commission**.[8] This also requires the electricity to be an itemised cost in a separate, discrete charge billed to the customer.

Not individually metered and itemised charges

If electricity sold is **not** individually metered **and** is an itemised cost in a separate, discrete charge billed to the customer, then the provider **may be required to have a Victorian electricity licence** and this registration system does not apply.[9]

[8] Refer to Table 2 of the GEO 2022.

[9] The GEO 2022 is unlikely to apply to the seller of electricity in this scenario and the seller should consider if they may instead need a licence from the commission or an individual exemption from the Department of Environment, Land, Water and Planning pursuant to section 17(1) of the Electricity Industry Act 2000.

This is not the case for persons selling unmetered electricity under a retail activity deemed exemption included in Table 1 of the GEO 2022, such as electricity used to charge electric vehicles, who are deemed exempt.[10]

Network activity exemptions

Certain people and businesses that are the owners or lessees of the facilities critical to the supply of electricity – such as the wires, between the electricity meter connected to the licensed distributor's network and individual customers – will need to register with the commission. This includes where the electricity is supplied from the supply point of a licensed distribution company or is supplied from onsite renewable energy facilities or generator(s) connected to that embedded network. This is called a network activity registration exemption and refers to distributing electricity.

We do not consider electricity meters to be infrastructure that is critical to supply customers with electricity as customers can be supplied without individual metering in place. In other words, the meter is a network component that does not actually deliver electricity through the network, but merely measures the electricity supplied for data collection and billing purposes.

If an exempt person only supplies electricity, it may need to register with the commission regardless of whether or not the electricity is individually metered.

The GEO 2022 refers to supplying electricity. For clarity, when we refer to 'supply', it is used interchangeably with 'distribute' and refers to network exemptions.

Refer to Appendix A for the network activity deemed and registration exemption categories.

An exempt person that is both seller and supplier for a site

If a person or business both supplies and sells electricity it may need to register both activities for each site where the activities are undertaken, subject to the requirements of the GEO 2022. The commission's online portal allows an exempt person that both sells and supplies to submit one application for two registration exemptions that cover both activities.

Types of exempt persons that are required to register

Subject to satisfying the exemption category pre-conditions specified in the GEO 2022, exempt persons that sell or supply electricity are required by the GEO 2022 to register for each of the following exemption categories at each site if they sell or supply electricity to:

[10] Refer to Table 1 of the GEO 2022.

- 10 or more small commercial/retail customers whose premises are connected to an embedded network which the person owns, controls or operates (for example, a shopping centre)
- 10 or more residential customers whose premises are connected to an embedded network which the person owns, controls or operates (for example, an apartment building)
- residential customers in retirement villages
- anyone in caravan parks, holiday parks, marinas, residential land lease parks, and manufactured home estates
- large customers.[11]

For example, an exempt person that sells and supplies electricity to 25 residential customers, 15 small commercial/retail customers and two large customers at one site is required to register multiple exemptions for each selling activity and each supplying activity at that site.[12]

Multiple activity exemptions

Certain solar power purchase agreement (SPPA) providers and community energy projects also need to register with the commission for a multiple activity exemption.

SPPA providers

An SPPA is an arrangement where a solar photovoltaic system is installed at a house or business without the customer paying upfront. The SPPA provider installs, owns, operates, and maintains the system. The customer buys the electricity generated by the system from the SPPA provider for an agreed price and period of time. Under an SPPA, a customer maintains a connection to the grid so that they can access electricity when the solar system does not generate enough power.

Community energy projects

A community energy project is where a community group initiates, develops, operates and benefits from a renewable energy or energy efficiency initiative. For the purposes of this registration system, the project needs to be limited to a single site. Therefore, the electricity generated on a site can only be supplied within that particular site. For example, a cooperative that raises funds to construct a small wind farm that provides electricity to households located on the same site (lot) as the wind power station/s.

[11] Both the sale and supply of electricity must be metered for large customers.

[12] Separate registrations are required for each large customer at one site.

Registration requirements

SPPA providers and community energy projects need to register if they generate electricity for supply or sale, or for supply and sale on premises:

- on a site that they neither own nor occupy, or
- if they only occupy (but do not own) a portion of the site for the purpose of generating or distributing the electricity and they do not occupy the remainder of the site.

And, they supply or sell, or supply and sell, the electricity generated on the site:

- to the owner or occupier of the site, or
- to a licensed electricity retailer.

It is also a condition of exemption that (non-exhaustively):

- the installed or name-plate generating capacity of the generator or generators installed at the relevant premises is less than 5MW[13]
- the exempt person is not the financially responsible market participant for the relevant premises and the financially responsible market participant for the relevant premises is a licensed retailer[14]
- the exempt person is not registered in the wholesale electricity market for the purposes of purchasing electricity[15]
- some or all of the output of the relevant generator or generators must be sold to the customer and any output not sold to the customer must be supplied or sold to a licensed retailer.[16]

For a list of all conditions of multiple activity exemptions, please refer to Division 1 of Part 4 of the GEO 2022 at Appendix B.

[13] Clause 20 of the GEO 2022.

[14] Clause 21 of the GEO 2022.

[15] Clause 22 of the GEO 2022.

[16] Clause 23 of the GEO 2022.

Who does not need to register?

In certain circumstances, persons selling or supplying electricity will not need to register their exemption with the commission. Instead, they will be automatically deemed to be exempt.

Deemed Exemption Categories

The following selling and supplying activities fall within the deemed exemption categories.[17] Exempt persons are not required to register with the commission if they sell or supply electricity:

- to fewer than 10 small commercial/retail customers from an embedded network which the person owns, controls or operates (for example, a small shopping centre)[18]
- to fewer than 10 residential customers from an embedded network which the person owns, controls or operates (for example, a small block of apartments)[19]
- to occupants of short-term holiday accommodation (excluding caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates. Persons supplying or selling electricity to anyone in these types of sites are required to register)
- to a related company
- on or within their premises to customers in conjunction with, or ancillary to, providing telecommunication services[20]
- that is used to charge electric vehicles
- temporarily selling electricity on construction sites if the sale is incidental to facilitate construction and commissioning of new facilities on the same or an adjoining site
- supplying electricity via plug-in or rack mounted equipment in any premises where there is National Broadband Network (NBN) equipment with an input current rating that does not exceed 3 amps alternating current (AC)

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[17] Tables 1 and 3 of the GEO 2022.

[18] Exempt electricity activities are classed according to the type of service (for example, selling) and the type of customer (for example, small commercial/retail). This means that if an exempt seller or supplier has, for example, six small commercial/retail customers and six residential customers at the same premises, it does not need to register. Even though it has a total of 12 customers at the same site, the types of customers are distinct. In this example, the total of each distinct type of customer is below the threshold for registration.

[19] This does not include selling or supplying electricity to residents of retirement villages, caravan parks, holiday parks, marinas, residential land lease parks and manufactured home estates. Exempt persons supplying or selling electricity to anyone in these sites are required to register.

[20] This includes internet, telephone, mobile phone, fibre optic, hybrid fibre cable, television, radio, Wi-Fi, or other communications technology. This covers situations where the sale of electricity is incidental to communications services provided by telecommunication companies to business customers using those companies' data centres. It does not cover situations where a customer chooses to buy their electricity and telecommunications services from a single business.

- when they are a government agency supply or selling electricity to customers who are not residential customers for purposes that are supplementary to their primary functions or objectives under the laws under which they are established.

While deemed exempt persons are not required to register with the commission, **their customers may be entitled to specified protections under the Energy Retail Code of Practice and Electricity Distribution Code of Practice**.[21]

Electricity generators

A person generating electricity for supply or sale does not require a licence if:

- the generator or generators used to generate electricity are connected to the transmission network or the distribution network at a common point; and
- the total electricity generation output is less than 30MW (megawatts); and
- the generator or group of generators is not required by the National Electricity Rules to be centrally dispatched; and
- the total exported output of the generator or group of generators is supplied or sold to a licensed retailer.

For the exemption to continue to apply, generators of this type are required to meet the conditions specified in the GEO 2022.[22] **There are also obligations in the Electricity Distribution Code of Practice which may apply to this generation activity**.

[21] The Energy Retail Code of Practice and the Electricity Distribution Code of Practice does not apply to customers of electric vehicle charging stations.

[22] Part 3, Division 2 of the GEO 2022.

What happens if an exempt person does not register?

If a person is required to register and does not do so, they are not exempt and cannot supply and/or sell electricity (as applicable) to customers in Victoria. If the person continues to sell or supply electricity without obtaining a licence or registering, they will be committing an offence under Victorian law.[23]

A person who commits an offence is liable to a penalty up to 1000 penalty units and 100 penalty units for each day after the date on which a notice of contravention is served by the commission.[24]

[23] Refer to the GEO 2022 and sections 16 and 17 of the Electricity Industry Act 2000.

[24] As at the date of publication a penalty unit is $184.92.

Conditions on retail and network exemptions

Renewable energy generation – new embedded networks

The renewable energy condition requires that the electricity sold to residential customers at a new embedded network site, where there are 10 or more residential customers, come from renewable energy sources. This can be satisfied through a mix of on and off-site sources.

To meet the requirements of the renewable energy condition, the exempt person must ensure that, in respect of a new embedded network:[25]

- a minimum of five per cent of the electricity of the electricity sold to residential customers in that new embedded network each calendar year, is generated by means of on-site renewable energy facilities
- any remaining amount of electricity that is sold to residential customers in that new embedded network each calendar year, is sourced from off-site renewable energy facilities. This can be satisfied by any of, or a combination of, a GreenPower arrangement, a voluntary surrender arrangement, or voluntary surrender of qualifying large-scale generation certificates (or 'LGCs') within the specified timeframe.

If the exempt person is selling electricity to 10 or more residential customers connected to a new embedded network, the exempt person must ensure that electricity supplied to the new embedded network is metered. The exempt person must also ensure that each residential customer in the new embedded network is separately metered.[26]

The renewable energy condition applies to new embedded networks from 1 January 2023 (when the GEO 2022 takes effect). From this date an embedded network will be considered 'new' unless:

- electricity was already being sold to all customers in the embedded network by a licensed retailer or exempt person prior to 1 January 2023; or
- where there is a legally binding agreement in place prior to 1 January 2023 regarding the control and operation of the network, but the intended sale of electricity by the exempt person had not yet commenced.

Prior to publishing a retail activity registration exemption where the exempt person is selling electricity to 10 or more residential customers, the commission will write to the applicant. The

[25] Clause 8 of the GEO 2022.

[26] Clause 8(2) of the GEO 2022.

commission will require an officer[27] of the exempt person to provide a declaration confirming whether the embedded network for which the application to sell electricity is being made is a new embedded network to which the renewable energy requirement under clause 8 of the GEO 2022 applies.[28]

Informed consent and provision of information

An exempt person who is selling electricity must obtain the explicit informed consent of the customer regarding the details of the sale of that electricity.

There is specific information the exemption person must provide to the consumer before they can obtain consent.[29] That information must be made available to consumer annually, or at any time it is requested. The commission can also request the information to be provided at any time.

Pricing rule

Electricity sold or supplied by an exempt person must not exceed the Victorian default offer (VDO), which is the relevant maximum price formulated by the Commission.[30]

Customer dispute resolution

An exempt person must enter into a customer dispute resolution scheme[31] approved by the Commission.[32]

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[27] For the purpose of the declaration, an "officer" may be the directors, secretary, or other persons who make or participate in making decisions that affect a substantial part of the applicant's business (for example, Chief Executive Officer, Chief Financial Officer or General Manager).

[28] Section 33D(2)(b) of the *Electricity Industry Act 2000* provides that an application for registration in the Register of Exempt Persons is required to contain the information required by the commission.

[29] Information on specific information must be provided is set out in Clause 9(2) of the GEO 2022.

[30] In relation to VR2 and VNR2 exemptions 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.

[31] The commission has approved the Energy and Water Ombudsman of Victoria as the customer dispute resolution scheme for the purpose of the general exemption order.

[32] This condition does not apply as a condition of a person's exemption under Division 1 in respect of the VD5, VD6, VD7 or VD8 retail activity or as a condition of a person's exemption under Division 2 in respect of the VND4, VND5, VND6, VND7 or VND8 network activity.

Provision of information to Minister or Commission

It is a condition of retail and distribution exemptions[33] that the exempt person must provide to the Minister, or the commission, any information requested for the administration of those exemptions.

The commission publishes templates for the following conditions to assist exempt persons in providing information in the required format to meet these reporting obligations.

Embedded networks

It is a condition of an exemption under Division 1 of Part 2 of the GEO 2022[34] that each year on or before 31 March, exempt persons must provide information to the commission, in the form required by the commission, with details of:

- the supply facility from which the electricity is supplied to that embedded network
- 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
- details of the number and types of meters installed at the relevant embedded network including owners of those meters.

Renewable energy condition

In addition to the embedded network conditions, exempt persons to which the renewable energy requirement applies, must maintain records for at least 7 years of the following information:

- the amount of electricity supplied to that new embedded network from a licensed distribution company's distribution system
- 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
- 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
- any qualifying LGCs[35] voluntarily surrendered by the exempt person
- any voluntary surrender arrangement

[33] Exemptions specified under Part 2 of the GEO 2022.

[34] Clause 12(2).

[35] LGC means a large-scale generation certificate created under the Renewable Energy (Electricity) Act 2000 (Cth).

- any GreenPower arrangement or surrender of large-scale renewable energy certificates.[36]

This information must be provided by March 31 each year to customers and to the commission, in the form required by the commission.

Electric vehicle charging

In the case of a VD8 retail activity[37], that each year on or before 31 March, exempt persons must provide information to the commission, in the form required by the commission, with details of:

- the number of customers to whom they have sold electricity and
- the number of electric vehicles that have been charged with that electricity.

Embedded networks

There is a condition for person supplying metered or unmetered electricity from an embedded network which the person owns, controls or operates to the connected premises 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, marinas, residential land lease parks and manufactured home estates.[38]

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.[39]

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[36] Clause 8(3) of the GEO 2022.

[37] Clause 12(2)(d)(ii) of the GEO 2022.

[38] Specifically, exemption categories VND2 and VNR2.

[39] An 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

Registration information requirements

Information the commission is required to collect and publish under legislation

The commission must make publicly available the following information required to be kept in the register:[40]

- the legal name of the registered person (natural person or company)
- the activity being carried out by the registered person under an exemption (for example, selling electricity in a caravan park)
- the date from which the exemption applying to the registered person was in force
- whether the exemption applying to the registered person is in force (this means whether the registered exempt person is currently undertaking the activity for which they are registered, or it may be a historical record where the exempt person is no longer undertaking the activity).

Other information the commission collects and publishes

The commission may include any other information it considers appropriate in the register.[41] The commission collects and publishes the following additional information:

- the ACN (Australian Company Number) of the exempt person
- in the case of a retail activity registration exemption, the exempt person's trading name (or the trading name of the third-party service provider or agent)
- in the case of a retail activity registration exemption, the exempt person's customer contact details (or the customer contact details of the third-party service provider or agent)
- in the case of a network activity registration exemption, the exempt person's trading name (or the trading name of the third-party service provider or agent)
- in the case of a network activity registration exemption, the exempt person's customer contact details (or the customer contact details of the third-party service provider or agent)

[40] Section 33C(2) and 33F of the Electricity Industry Act 2000.

[41] Section 33C(3) of the Electricity Industry Act 2000.

- the site name where the supply or sale activity is taking place, for example, the name of the apartment building, caravan park or shopping centre (where relevant)[42]
- the site address where the activity is being carried out.[43]

Third parties of exempt persons who have a retail registration exemption

If a person or business is providing retail services associated with on-selling electricity on behalf of an exempt person, and that third-party service provider or agent is not the customer of a licensed retailer, then it is not required to register with the commission because it is not covered by the GEO 2022.[44] However, the commission requires the person applying for the registration exemption to provide their third-party service provider or agent's details, including customer contact information and trading name.[45]

Registration with multiple exempt persons

Where there are multiple persons undertaking activities for which a registered exemption is required, for the one site, each person must separately register. For example, where companies own or lease the site and infrastructure that is critical to the supply of electricity from the licensed distributor's network to each customer in the embedded network, both companies may need to register as exempt persons.

Solar power purchase agreement providers

Solar power purchase agreement (SPPA) providers do not need to register each site where they undertake their activities – one registration covers all of their activities under the multiple activity exemption. Accordingly, SPPA providers do not need to provide the site names and addresses where the activity is being carried out. However, they need to update the number of residential and commercial customers each year through the online portal.

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[42] Where a site does not have a site name, exempt sellers and suppliers should record the street address. This requirement does not apply to solar power purchase agreement providers in the multiple activity exemption category.

[43] This requirement does not apply to SPPA providers.

[44] Clause 5(1)(b) of the GEO 2022.

[45] Third parties of exempt sellers include businesses and persons such as agents and service providers that perform retail services including but not limited to billing, customer service and credit collection. These persons or businesses generally act on behalf of exempt persons that are a customer of the licensed retailer at the gate/parent meter, such as owners' corporations, shopping centre owners and retirement villages. Exempt persons are required to provide the commission with the details of that third-party service provider or agent including the trading name, telephone number and email address for customer queries, which will be published on the commission's public register.

Other information the commission requires but does not publish

The commission requires the following additional information, which will not be published on the public register[46]:

- information to ensure that the activity being undertaken does not require an electricity licence (such as whether the exempt person is on-selling electricity purchased from a licensed retailer, and whether the sale is individually metered)
- the number of customers that are being supplied or sold electricity[47]
- an estimate of the aggregate (total) yearly electricity consumption at a site in megawatt hours (MWh).[48]

The commission collects this information to help it better understand the scale and scope of these segments of the electricity market, and the number of Victorian electricity customers supplied and sold electricity by exempt persons.

We use this data to report on the state of the Victorian energy market but do not do so in a way that identifies individual exempt persons.

Understanding the scale and scope of the market assists the commission with identifying appropriate customer protections, and also with monitoring and enforcing compliance with those protections, as required by legislation.

[46] Section 33D(2)(b) of the Electricity Industry Act 2000 provides that an application for registration must contain the information required by the commission.

[47] For certain embedded networks, this is the total number of meters for exempt persons who are supplying (network exemption) and for exempt persons who are selling (retail exemption), the number of child meters that sit behind the parent meter. Although the physical meters may be different for each customer, for access to retail competition the critical information is the National Metering Identifier (NMI) for that meter. Most meters in embedded networks do not currently have a NMI.

[48] This can be calculated by reviewing the last 12 months' worth of bills received from the licensed retailer. This information requirement only applies to exempt persons that have already been operating for at least one year. For SPPA providers, this would be an aggregate of usage across all of the sites where an agreement is in place.

How to register

Registration is an online process. As part of the process, an exempt person – or a third-party service provider or agent on behalf of an exempt person – needs to create an online account. The registration portal asks a series of questions to guide the applicant and ensure they have provided all the required information and are registered for the correct exemption/s based on their answers to the questions.

If someone at the exempt person's organisation has already registered with the commission, they need to use the portal's invitation function to invite additional users to create accounts. This ensures that all of the exempt person's registrations are recorded and accessible to all of the users of that organisation.

Access to the portal is located on the commission's website:

https://www.esc.vic.gov.au/energy-licensing-and-exemptions/register-electricity-licence-exemption/

Effective date of registration

The exempt person is considered to be registered and able to undertake activities that would otherwise require a licence once the commission has received a complete and correctly submitted application via the online portal.[49].

The commission reviews the applicant's registrations submitted through the online registration portal. There may be instances where commission staff may need to check some details provided by the applicant before publishing the registration on the public register. Once a registration exemption is published by the commission, some of the information required to be provided will appear on the public register. The commission will send an email to the applicant to advise them that the registration exemption has been published.

Are there any costs for registering?

No. There are no fees for registering as an exempt person with the commission.

[49] Section 33E of the Electricity Industry Act 2000 provides that on receiving an application under section 33D, the Commission must register the relevant exempt person in the Register of Exempt Persons and enter the required details in the Register of Exempt Persons. Registration of a relevant exempt person under this section takes effect when the Commission enters the required details in the Register of Exempt Persons.

What happens after an exempt person registers?

Editing registration details

If information about a registration changes (and the application has been published by the commission), the user will need to update the registration by cancelling the out-of-date registration and creating a new registration.

For applications that are at a status of “submitted”, the user will need to contact the commission to cancel the out-of-date registration. The user can then create a new registration.

If the application is still in “draft”, then the user can edit the details themselves. This ensures that the commission and the Victorian public have a complete list of all current and historical registrations.

Annual update

All registered exempt persons should confirm their registration details are correct each year. An email may be sent to the exempt person annually, using the contact email address provided when creating an account, to remind the exempt person to update its registration details including changes to customer numbers, the last 12 months of aggregate consumption in MWh, and any other changes.

Changes and updates outside the annual update

An exempt person is required to update the information on the public register as soon as practicable if their contact details change, or if there are material changes to the nature of their activity. A material change includes the exempt person commencing to sell, in addition to supplying electricity, or a change to the type of customers the exempt person sells or supplies to. These changes may affect the type or number of exemptions they need to have registered with the commission. The exempt person may need to cancel the existing registration exemption and apply for a new registration exemption.

Exempt persons must also notify the commission if there are any changes regarding their engagement of a third-party service provider or agent. This includes engaging a third-party service provider or agent for the first time or changing the third-party from one service provider or agent to another service provider or agent.

The commission acknowledges that tenant and residential customer numbers can fluctuate. Therefore, the commission does not expect exempt persons to update this detail every time a customer moves in or out of the premises.

However, having up-to-date information on the scale of this segment of the electricity market is important for the development and enforcement of the exemption framework, and associated policy development and reform.

Glossary

Insert term	Insert definition
Caravan parks	An area of land on which movable dwellings are situated for occupation on payment of consideration, whether or not immovable dwellings are also situated there.
Community energy project	A community project under which a community group initiates, develops, operates, and benefits from a renewable energy resource or energy efficiency initiative.
Electricity network	An electricity network is the infrastructure (wires, meters, etc.) required to deliver electricity from a provider's meter to end user customers.
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
Exempt persons	A person who is exempt from the requirement to obtain a licence by Order in Council made under section 17 of the Electricity Industry Act 2000.
Facilities	The physical wires or other infrastructure by which electricity is delivered.
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 Green Power Product for that calendar year.
Government agency	A government agency includes: a) a Commonwealth, State or Local Government department b) a statutory authority or government owned corporation established under a law of the Commonwealth or a State or Territory

	c) a university, but does not include a housing authority or a provider of student accommodation.
Holiday parks	An area of land for a tourist campsite facility offering a wide range of accommodation styles.
Large customer	A business customer to whom peak demand of not less than 500 kilo volt amps (kVa), or consumption of not less than 160 megawatt hours (MWh) per annum is distributed, supplied or sold for commercial or industrial purposes.
LGC	A large-scale generation certificate created under the Renewable Energy (Electricity) Act 2000 (Cth).
Licensed distribution company	A person who is the holder of a licence under the Electricity Industry Act 2000 to distribute electricity.
Licensed electricity retailer or licensed retailer	The holder of licence to sell electricity under the Electricity Industry Act 2000 otherwise than through the wholesale electricity market.
Manufactured home estates	An area of land where residents live in manufactured homes. Manufactured homes are re-locatable homes that are not permanently attached to the land. The home owner rents the land on which their home is situated.
Metered electricity	Electricity measured by an approved meter. A meter is any device that measures the quantity of electricity passing through it or that records the consumption of electricity at the customer's premises.
National Electricity Market	The National Electricity Market (NEM) is an interconnected electricity system in Australia. It facilitates the cross-state operation of the wholesale electricity market that covers the eastern and southern states and territories whose grids are electronically connected. It is the wholesale market through which generators and retailers trade electricity in Australia.
National Electricity Rules	Has the same meaning as the National Electricity (Victoria) Law.
New embedded network	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 Order 2017 identified in item 9 of column 1 of the table in the Schedule to the General Exemption Order 2022; 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.
Qualifying LGCs	means an LGC created for electricity generated by a power station using a renewable energy source.
Related company	In relation to a person that is a company, it 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 for the first company.
Residential customer	A person who buys electricity principally for personal, household or domestic use at their premises.
Residential land lease parks	An area of land where residents live in a re-locatable home. Residents own their own home and lease the land on which their home is situated.
Small commercial/retail customer	A business customer, to whom peak demand of less than 500 kilo volt amps (kVA), and consumption of less than 160 megawatt hours (MWh) per annum, is distributed, supplied or sold for commercial or industrial purposes.
Solar power purchase agreement	An 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 at an agreed price

	and for an agreed period. Any electricity that is not used by the customer is sold to a licensed retailer.
Supply	The delivery of electricity from one party to another.
Third-party service provider or agent	An exempt person's third-party service provider or agent is usually a person or business that performs the services of a retailer (such as billing and customer service) or a distributor (such as meter readings and data provision) on behalf of exempt persons such as owners' corporations and shopping centres.
Voluntary 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;

Appendix A – Exemption categories

Table 1 - Retail activity deemed exemption

Exemption code	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.
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.

Table 2 - Retail activity registration exemption

Exemption code	Retail activity registration exemptions
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.

Table 3 - Network activity deemed exemption

Exemption code	Network activity deemed exemptions
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 within the limits of a site that they own, occupy, or operate, 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 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 telecommunication 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 who is supplying metered or unmetered electricity from an electric vehicle charging station to an electric vehicle, that is used to charge the electric vehicle.

Table 4 - Network activity registration exemption

Exemption code	Network activity registration exemptions
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 within the limits of a site that they own, occupy, or operate 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 that 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.

Appendix B – General Exemption Order 2022

The following text of the order is provided for information purposes only. Please see the Victorian Government Gazette (General Gazette Number G39, 29 September 2022)[50] for the official order.

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;

[50] Available at: http://www.gazette.vic.gov.au/gazette/Gazettes2022/GG2022G039.pdf (see page 4000).

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.
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.

Table 2 Retail activity registration exemption	
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.

Table 3 Network activity deemed exemption

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.

Table 4	Network activity registration exemption
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

14. 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	Persons: (a) generating electricity for supply or sale, or for supply and sale on: (i) premises not owned or occupied by the person; or (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 b) supplying or selling, or supplying and selling, the electricity: (i) to the owner or occupier of the premises on which the generation occurs (the customer); or

(ii) to a licensed retailer.

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 FORUMULATION 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.

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Version	Date effective	Nature of amendment
1	17 May 2018	First published
2	1 January 2023	Updated to reflect the General Exemption Order 2022
3	1 June 2026	Updated to clarify when a new exemption registration is considered “registered”, as well as other minor administrative amendments.