# Victoria Government Gazette

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**Electricity Industry Act 2000**

ORDER UNDER SECTION 13 OF THE
**ELECTRICITY INDUSTRY ACT 2000**

Order in Council

The Lieutenant-Governor, as the Governor's deputy, with the advice of the Executive Council on the recommendation of the Minister pursuant to section 13(1B) of the **Electricity Industry Act 2000** (the Minister having first consulted with the Premier and Treasurer pursuant to section 13(1C) of that Act), acting under section 13 of the **Electricity Industry Act 2000** makes the following Order:

**1. Purpose**

The main purpose of this Order is to regulate the standing offer tariffs that retailers may charge prescribed customers, through the introduction of the Victorian default offer.

**2. Commencement**

This Order comes into operation on the date on which it is published in the Government Gazette and remains in force until it is revoked.

**3. Objective of the Victorian default offer**

The objective of the Victorian default offer is to provide a simple, trusted and reasonably priced electricity option that safeguards consumers unable or unwilling to engage in the electricity retail market.

**4. Definitions**

1. In this Order:

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

***annual reference consumption*** has the meaning given in clause 15(5);

***controlled load tariff*** means a tariff for the supply or sale of electricity only for use in specific appliances that are permanently wired to the relevant electricity meter;

Example: A storage water heater is such an appliance.

***controlled load usage*** means use by a specific appliance that is permanently wired to the relevant electricity meter;

***customer type*** means a customer who is either a domestic customer or a small business customer, as the case may be;

***distribution system*** means a system of electric lines and associated equipment (generally at nominal voltage levels of 66 kV or below) which a distribution company is licensed to use to distribute electricity for supply under its licence;

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

***domestic customer*** means a customer who purchases electricity principally for personal, household or domestic use at a supply point;

***Energy Retail Code*** means the document of that name (version 12 dated 1 January 2019) published by the Commission as amended and in force from time to time;

***ESC Act*** means the **Essential Services Commission Act 2001**;

***flat tariff*** means a tariff for the supply or sale of electricity where the tariff components do not vary by reference to:

(a) the time of day;

(b) the amount of electricity distributed or supplied during the day;

(c) temperature, whether actual or forecast; or

(d) other characteristics that vary during the day.

Notes:

1. A tariff with a daily supply charge as one tariff component and a usage charge calculated by $ per kWh as another tariff component, is a flat tariff;
2. Paragraph (b) does not exclude block tariffs from being flat tariffs;
3. The definition does not exclude tariffs that vary seasonally, from being flat tariffs;

***flexible tariff*** means a tariff for the supply or sale of electricity where the tariff components vary (wholly or partly) according to the time of day when the electricity is supplied;

***former franchise customer*** means a person described in section 37 of the Act who is either a domestic customer or a small business customer;

***general usage*** means any electricity usage that is not controlled load usage;

***headroom*** means an allowance that does not reflect an efficient cost borne by firms operating in the market;

Example: An allowance that is added, so that retail prices do not act as a barrier to new entrants, is headroom.

***kWh*** means kilowatt hour;

***Minister*** means the Minister administering the Act;

***MWh*** means megawatt hour;

***objective of the Victorian default offer*** means the objective specified in clause 3;

***Order*** means this Order;

***prescribed customer***: see clause 5;

***quarter*** means a period of 3 consecutive months;

***regulatory period*** means a period over which a VDO price determination is to apply;

Note: the first regulatory period commences on 1 January 2020.

***relevant customer*** has the same meaning as in section 39 of the Act;

***small business customer*** means a customer who is not a domestic customer and whose aggregate consumption of electricity taken from a supply point is not, or in the case of a new supply point is not likely to be, more than 40 MWh per annum;

***standing offer tariffs*** means the tariffs determined by a licensee under section 35(1) of the Act and published in the Government Gazette in accordance with that section, as varied from time to time by the licensee as provided for under section 35(3) of the Act;

***supply charge*** means a fixed charge for supplying electricity to a customer (whether charged on a daily basis or over any other period);

Note: A supply charge is also sometimes called a service charge.

***supply point*** means, in relation to a supply of electricity to a person, the point at which that supply of electricity last leaves the distribution system owned or operated by a distribution company before being supplied to the person, whether or not the electricity passes through facilities owned or operated by any other person after leaving that point before being so supplied;

***tariff component***, in respect of a tariff for the supply or sale of electricity, includes the supply charge, the usage charge and any other charge that is part of the tariff for the supply or sale of electricity;

***usage charge*** means a charge for the amount of electricity supplied or sold to a customer;

Note: A usage charge is sometimes called a consumption charge.

***VDO compliant maximum annual bill*** has the meaning given it in clause 10(2);

***VDO price determination*** means a price determination pursuant to clause 10;

***Victorian default offer*** or ***VDO*** means an offer a retailer must make pursuant to this Order.

2. Despite subclause (1), in:
   (a) clause 6;
   (b) clause 7;
   (c) clause 10(2)(a)(i),
   (d) schedule 1; and
   (e) schedule 2,

   the following definitions instead apply:
   (f) ***domestic customer*** means a domestic customer within the meaning of the definition of 'domestic or small business customer' in the Act; and
   (g) ***small business customer*** means a small business customer within the meaning of that definition.

Notes:

1. The following terms are defined in section 3 of the Act:
   Commission;
   domestic or small business customer;
   distribution company;
   electricity bill;
   regulated tariff standing offer;
   retailer;
   standing offer.
2. As at the date of the commencement of this Order, the Order in Council made under section 35 of the Act and published in the Government Gazette No. S 315 on 25 November 2008 applies for the purposes of the definition of 'domestic or small business customer' in the Act.
3. 'price determination' is defined in section 13(6) of the Act.

**5. Declaration of Prescribed customers**

The following customers are declared, pursuant to section 13(5) of the Act, to be prescribed customers:

(a) a domestic or small business customer;

(b) a former franchise customer who is a party to a deemed contract under section 37 of the Act; and

(c) a relevant customer who is a party to a deemed contract under section 39 of the Act.

**6. Victorian default offer tariffs**

1. A retailer's standing offer tariffs for sale of electricity to prescribed customers must comply with this clause.
2. During the period from 1 July 2019 to 31 December 2019, the standing offer tariffs a retailer may charge to a domestic customer, in respect of the distribution zone specified in column 1 of the table in Schedule 1, are fixed at the amounts specified in columns 2, 4 and 5 of the table for the tariff components specified in those columns.
3. During the period from 1 July 2019 to 31 December 2019, the standing offer tariffs a retailer may charge to a small business customer, in respect of the distribution zone specified in column 1 of the table in Schedule 2, are fixed at the amounts specified in columns 2 and 4 of the table for the tariff components specified in those columns.
4. Subclauses (2) and (3) do not apply to standing offer tariffs other than:
   (a) a flat tariff; or
   (b) a flat tariff with a controlled load tariff.

5. During any regulatory period commencing on or after 1 January 2020, a retailer's standing offer tariffs for sale of electricity to prescribed customers must comply with any VDO price determination made by the Commission that is in force.

Note: The VDO price determination will be in respect of both standing offer tariffs that are flat tariffs and standing offer tariffs that are not flat tariffs. See also clause 10.

**7. Retailer must make Victorian default offer**

1. A retailer's regulated tariff standing offer for sale of electricity to prescribed customers must include (specified as the '*Victorian default offer in respect of flat tariffs*'):

(a) one flat tariff that is available to each domestic customer;

(b) one flat tariff with a controlled load tariff that is available to each domestic customer with a controlled load; and

(c) one flat tariff that is available to each small business customer,

which tariffs must be:

(d) for the period from 1 July 2019 to 31 December 2019, those fixed in accordance with clause 6(2) and clause 6(3);

(e) for any regulatory period commencing on or after 1 January 2020, standing offer tariffs complying with the VDO price determination in respect of that regulatory period.

2. In addition, for any regulatory period commencing on or after 1 January 2020 and in the case of standing offer tariffs that:

(a) are not flat tariffs; or

(b) are any combination of a flat tariff, and a tariff that is not a flat tariff,

a retailer's regulated tariff standing offer must include standing offer tariffs and terms and conditions (both specified as the '*Victorian default offer in respect of the VDO compliant maximum annual bill*') that ensure the retailer's compliance with the VDO price determination in respect of that regulatory period.

**8. Information about the VDO on electricity bills**

1. This clause applies until such time as the amendments to the Energy Retail Code required by clause 16(2)(b) come into force.

2. A retailer's electricity bill issued to a prescribed customer on or after 1 October 2019 must include information about how the customer may access the Victorian default offer from the retailer.

3. The information required by subclause (2) must be in plain and clear English and prominent on the electricity bill.

**9. Conferral of functions and powers on the Commission**

1. For the purposes of Part 3 of the ESC Act and section 12(1)(b) of the Act, the supply or sale of electricity under the Act is specified as prescribed goods and services in respect of which the Commission has the power to regulate prices.

2. The Commission may not make a price determination regulating tariffs for the supply or sale of electricity under the Act except as contemplated under this Order.

Note: See section 32 in Part 3 of the ESC Act. This Order is an empowering instrument for the purposes of Part 3 of the ESC Act: see paragraph (d) of the definition of 'empowering instrument' in section 3 of the ESC Act.

**10. Commission to make VDO price determination**

1. At least 37 days before the commencement of a regulatory period, the Commission must make a price determination in respect of the regulatory period that determines, for each distribution zone in Victoria:

(a) the tariffs, or the maximum tariffs, a retailer may charge prescribed customers under a standing offer during the regulatory period; or

(b) the manner in which the tariffs, or the maximum tariffs, a retailer may charge prescribed customers under a standing offer during the regulatory period are to be determined or calculated.

2. Without limiting subclause (1), the price determination that the Commission makes in respect of the first regulatory period:

(a) must determine:

i. the standing offer tariffs that are to apply in respect of flat tariffs, including, in the case of domestic customers, both flat tariffs and flat tariffs with a controlled load tariff; and

ii. in the case of a prescribed customer who is on:

A. a tariff that is not a flat tariff; or

B. any combination of a flat tariff, and a tariff that is not a flat tariff,

the maximum annual electricity bill amount that the prescribed customer is to pay under a standing offer in the regulatory period (***VDO compliant maximum annual bill***); and

(b) may provide, in the case of the customers specified in subclause (2)(a)(ii), for how any overpayment by those customers in that regulatory period, or any year (or part year) thereof, is to be dealt with; and

(c) may also include any other decisions or determinations that are required by this Order.

3. Despite subclause (2), the Commission may after its first price determination, determine another manner pursuant to which the standing offer tariffs referred to in that subclause are to be determined or calculated.

**11. Regulatory periods for VDO price determinations**

1. The first regulatory period commences on 1 January 2020.

2. Subject to subclause (3), the duration of each regulatory period is 12 months.

3. Before the commencement of a regulatory period, if the Commission considers that special circumstances exist, the Commission may, after consulting the Minister:

(a) extend the duration of the regulatory period by up to 6 months; or

(b) reduce the duration of the regulatory period, provided the duration of the regulatory period as so reduced is not less than 6 months.

**12. Approach and methodology for making a VDO price determination**

1. In making a VDO price determination, the Commission must adopt an approach and methodology that is in accordance with section 33(2) of the ESC Act and this Order.

Note: section 33(2) of the ESC Act requires the Commission to adopt an approach and methodology that best meets the objectives of the ESC Act and of the **Electricity Industry Act 2000.**

2. In addition, the Commission must adopt an approach and methodology which the Commission considers will best meet the objective of the Victorian default offer.

3. The tariffs determined by the Commission pursuant to the VDO price determination are to be based on the efficient costs of the sale of electricity by a retailer.

4. For the purposes of subclause (3), the Commission must have regard to:

(a) wholesale electricity costs;

(b) network costs;

(c) environmental costs;

(d) retail operating costs, including modest costs of customer acquisition and

retention;

(e) retail operating margin; and

(f) subject to subclause (10), any other costs, matters or things the Commission, in the exercise of its discretion, considers appropriate or relevant.

Note: Section 33(3)(e) of the ESC Act similarly requires the Commission to have regard to any other factors that it considers relevant.

5. The VDO compliant maximum annual bill must be based on:

(a) the standing offer tariffs that the Commission determines are to apply in respect of flat tariffs; and

(b) the prescribed customer's electricity usage.

6. For the purposes of subclause (4)(d), the Commission must, in the exercise of its discretion, determine the amount of modest costs of customer acquisition and retention.

7. For the purposes of subclause (4)(e), the Commission must, in the exercise of its discretion, determine a maximum retail operating margin, and in doing so must have regard to (without limitation) the principle that the margin must not compensate retailers for risks that are compensated elsewhere in the costs.

8. Subclauses (3), (4), (5) and (6) do not require the Commission to determine tariffs based on the actual costs of a retailer.

9. Subclause (7) does not require the Commission to determine tariffs based on the actual retail operating margin of a retailer.

10. In making a VDO price determination the Commission must not include headroom.

11. Section 33(4)(a) of the ESC Act does not apply to the making of a VDO price determination.

12. Otherwise, section 33 of the ESC Act applies to the making of a VDO price determination only to the extent that the section is not contrary to this Order.

Notes:

1. This Order, as an 'empowering instrument' in terms of the ESC Act, can modify the application of section 33 of the ESC Act: see section 33(1) of the ESC Act.

2. Pursuant to section 33(3)(d) of the ESC Act, the Commission must have regard to relevant interstate and international benchmarks for prices, costs and return on assets in comparable industries.

**13. Variation of VDO price determinations**

1. Before or during a regulatory period, the Commission may, on its own initiative, vary a VDO price determination in respect of the regulatory period.

2. The Commission must specify, in a VDO price determination, the circumstances under which the Commission will consider, and the basis on which the Commission will decide on, a proposed variation and (subject to subclauses (4) and (5)) the processes to be followed to enable the Commission to make such a variation.

3. Without limiting subclause (1), the Commission may vary a VDO price determination:

(a) if an event has occurred or will occur that was uncertain or unforeseen by the Commission at the time of making the VDO price determination; or

(b) to correct a clerical error, miscalculation, misdescription or other deficiency.

4. Before making a variation, the Commission must consult in accordance with clause 14.

5. Subclause (4) does not apply if:

(a) the variation is not sufficiently material to warrant consultation in accordance with clause 14; or

(b) the need for the variation is sufficiently urgent to warrant consultation in accordance with clause 14 not being undertaken.

6. If, as a result of a variation of a VDO price determination, a retailer is or will be required to vary the retailer's standing offer tariffs, the Commission must ensure the retailer is given adequate notice before the variation to the VDO price determination takes effect.

**14. Consultation**

1. The Commission may decide the nature and extent of stakeholder consultation it will undertake when making a VDO price determination or a decision to vary a VDO price determination.
2. For the purposes of subclause (1), the Commission must have regard to its Charter of Consultation and Regulatory Practice (as amended from time to time) developed and published under section 14 of the ESC Act.

**15. Victorian default offer tariffs to be the reference tariffs for discounts**

1. This clause applies until such time as the amendments to the Energy Retail Code required by clause 16(2)(a) come into force.

   Provided that, if those amendments do not provide for any matter provided for in this clause, then this clause continues to apply in respect of that matter.
2. A retailer that offers a discount to a domestic customer or a small business customer must:
   (a) if the discount is in respect of the period from 1 July 2019 to 31 December 2019, disclose how the discount is calculated as against the tariffs in Schedule 1 or Schedule 2 (as the case may be), and what (in percentage or dollar terms) the reduction in tariff is in terms of those tariffs; and
   (b) if the discount is in respect of a regulatory period, disclose how the discount is calculated as against the flat tariffs determined by the Commission pursuant to the VDO price determination that applies in respect of that period, and what (in percentage or dollar terms) the reduction in tariffs is in terms of those tariffs.
3. For the purposes of subclause (2), the reduction in tariffs is to be expressed as the difference between the estimated annual cost of the Victorian default offer for the customer type and distribution zone, and the estimated annual cost of the offer to which the discount relates after the discount is applied, using the annual reference consumption.
4. For the purposes of subclause (3):
   (a) the estimated annual cost of the Victorian default offer is:
      i. during the period from 1 July 2019 to 31 December 2019, determined by applying Schedule 3;
      ii. during a regulatory period, determined by applying Schedule 3 or any other approach or methodology determined by the Commission; and
   (b) the retailer must determine the estimated annual cost of the retailer's offer to which the discount relates:
      i. if the tariff is a flat tariff or a flexible tariff (in either case, with or without a controlled load), by applying Schedule 3;
      ii. otherwise, based on a reasonable estimate having regard to any relevant information available to the retailer; and

5. The annual reference consumption is:
   (a) during the period from 1 July 2019 to 31 December 2019:
      i. for domestic customers without a controlled load – 4,000 kWh general usage per annum;
      ii. for domestic customers with a controlled load – 4,000 kWh general usage plus 2,000 kWh controlled load usage per annum;
      iii. for small business customers (with or without a controlled load) – 20,000 kWh general usage per annum.
   (b) during a regulatory period:
      i. the consumption amount determined by the Commission (if any); or
      ii. if no amount is determined by the Commission pursuant to subclause (5)(b)(i), the amount specified in subclause (5)(a).
6. For the purposes of subclause (5), the amount of electricity consumed is assumed to be the same on each day of the year.
7. Any percentage or dollar amount disclosed pursuant to this clause must be expressed as a whole percentage or dollar, rounded to the nearest percentage or dollar.
8. Otherwise, Division 2 of Part 2A (*Customers entitled to clear advice*) of the Energy Retail Code applies to the disclosures required by this clause.

**16. Direction to the Commission pursuant to section 13(3)(b) of the Act**

1. The Commission must, as soon as practicable after the commencement of this Order, amend the Energy Retail Code and any other instrument of the Commission to give effect to the Victorian default offer and this Order.
2. Without limiting subclause (1), the Commission must amend the Energy Retail Code (and any other instrument of the Commission) so that the Code:
   (a) provides for tariffs determined by the Commission pursuant to the VDO price determination being the reference tariffs for discounts and for the methodology of that comparison; and
   (b) requires a retailer's electricity bill to include information about how the customer may access the Victorian default offer from the retailer.
3. For the purposes of subclause (2)(a), the Commission must have regard to the following principles:
   (a) There must be a consistent methodology for comparison of tariffs that applies to:
      i. all offers of discounts by retailers; and
      ii. the advertising in respect of those discounts.
   (b) The methodology must apply in respect of flat tariffs and tariffs that are not flat tariffs;
   (c) The methodology must (without limitation) readily allow, in respect of a regulatory period, a comparison between:
      i. the discounted tariffs offered by a retailer; and
      ii. the tariffs determined by the Commission pursuant to the VDO price determination in respect of that period; and
   (d) Any actual comparison in accordance with the methodology must be readily understandable by a prescribed customer.

4. Subclause (3) does not limit:
   (a) the matters the Commission may have regard to; or
   (b) the matters the Commission may provide for by way of the amendments required by subclause (2).

**17. Review of the operation of this Order**

The Minister must cause a review of the operation and effectiveness of this Order to be undertaken before the third anniversary of the Order coming into operation.

**SCHEDULE 1**

**Victorian default offer tariffs for period from 1 July 2019 to 31 December 2019 – domestic customers**

Charges are inclusive of GST.

| Distribution zone | Supply charge ($ per day) | Usage charge structure | Usage charge (not controlled load) ($ per kWh) | Usage charge: controlled load ($ per kWh) |
|---|---|---|---|---|
| AusNet Services | $1.1368 | Block 1 (up to 1020 kWh during a quarter)<br>Block 2 (> 1020 kWh during a quarter) | $0.2763<br>$0.3113 | $0.2024 |
| CitiPower | $1.1055 | Anytime | $0.2325 | $0.1809 |
| Jemena | $1.0037 | Anytime | $0.2547 | $0.1618 |
| Powercor | $1.2333 | Anytime | $0.2403 | $0.1561 |
| United Energy | $0.9115 | Anytime | $0.2620 | $0.1873 |

**SCHEDULE 2**

**Victorian default offer tariffs for period from 1 July 2019 to 31 December 2019 – small business customers**

Charges are inclusive of GST.

| Distribution zone | Supply charge ($ per day) | Usage charge structure | Usage charge ($ per kWh) |
|---|---|---|---|
| AusNet Services | $1.1368 | Block 1 (up to 1020 kWh during a quarter)<br>Block 2 (> 1020 kWh during a quarter) | $0.3154<br>$0.3605 |
| CitiPower | $1.2972 | Anytime | $0.2464 |
| Jemena | $1.1450 | Anytime | $0.2682 |
| Powercor | $1.3611 | Anytime | $0.2394 |
| United Energy | $0.9691 | Anytime | $0.2717 |

## SCHEDULE 3

**1. Estimated annual cost for flat tariff offers**

The estimated annual cost for an offer for the supply or sale of electricity under a flat tariff is to be calculated as follows:

$$EAC = SC \times 365 + UC \times ARC$$

where:

*EAC* is the estimated annual cost of the offer;

*SC* is the supply charge;

*UC* is the general usage charge; and

*ARC* is the annual reference consumption for general usage.

**2. Estimated annual cost for flexible tariff offers**

The estimated annual cost for an offer for the supply or sale of electricity under a flexible tariff is to be calculated as follows:

$$EAC = SC \times 365 + ARC \times UC_P \times UA_P + ARC \times UC_S \times UA_S + ARC \times UC_{OP} \times UA_{OP}$$

where:

*EAC* is the estimated annual cost of the offer;

*SC* is the supply charge; and

*ARC* is the annual reference consumption for general usage;

and where, in respect of the relevant tariff type specified in column 1 of Table 1:

$UC_P$ is the retailer's peak usage charge;

$UA_P$ is the peak usage allocation specified in column 2 of Table 1;

$UC_S$ is the retailer's shoulder usage charge;

*UAs* is the shoulder usage allocation specified in column 3 of Table 1;

$UC_{OP}$ is the retailer's off-peak usage charge; and

$UA_{OP}$ is the off-peak usage allocation specified in column 4 of Table 1.

**3. Estimated annual cost for offers that include a controlled load tariff**

The estimated annual cost for an offer for the supply or sale of electricity that includes a controlled load tariff is to be calculated as follows:

$$EAC = EAC_{GU} + UC_{CL} \times ARC_{CL}$$

where:

*EAC* is the estimated annual cost of the offer;

$EAC_{GU}$ is the estimated annual cost of the offer for general usage only, calculated in accordance with clause 1 or 2 of this Schedule 3 (as the case may be);

$UC_{CL}$ is the usage charge for controlled load usage; and

$ARC_{CL}$ is the annual reference consumption for controlled load usage.

**Table 1 – Usage allocation for flexible tariffs**

| Tariff type | Peak | Shoulder | Off-peak |
|---|---|---|---|
| Flexible price (3 part time of use) | 0.25 | 0.45 | 0.30 |
| 5-day time of use | 0.52 | 0.00 | 0.48 |
| 7-day time of use (small business customers only) | 0.74 | 0.00 | 0.26 |
| 5-day time of day 9 pm off peak (United Energy distribution zone only) | 0.25 | 0.20 | 0.55 |
| 5-day time of day (United Energy distribution zone only) | 0.32 | 0.20 | 0.48 |

Dated 28 May 2019

Responsible Minister

HON. LILY D'AMBROSIO MP
Minister for Energy, Environment and Climate Change

PIETA TAVROU
Clerk of the Executive Council

**Electricity Industry Act 2000**

ORDER UNDER SECTION 17 OF THE
**ELECTRICITY INDUSTRY ACT 2000**

Order in Council

The Lieutenant-Governor, as the Governor's deputy, with the advice of the Executive Council makes the following Order under section 17 of the **Electricity Industry Act 2000**:

**1. Purpose**

The purpose of this Order is to amend the transitional pricing rule in the Order in Council made under section 17 of the **Electricity Industry Act 2000** and published in the Government Gazette No. S 390 on 15 November 2017 (***General Exemption Order***).

**2. Commencement**

This Order comes into effect on the date on which it is published in the Government Gazette.

**3. Amendments**

3.1. In clause 10(1) of the General Exemption Order, after 'published on its website' **insert** 'and by notice in the Government Gazette'.

3.2. Clause 10(2) of the General Exemption Order is **revoked**.

3.3. In clause 18(1) of the General Exemption Order, after 'published on its website' **insert** 'and by notice in the Government Gazette'.

3.4. Clause 18(2) of the General Exemption Order is **revoked**.

3.5. After clause 25 of the General Exemption Order, **insert**:

'**PART 4A PRICE FORMULATION FUNCTION**

**25A. Price formulation**

(1) Pursuant to section 17(2)(j) of the Act, the following functions are conferred on the Essential Services Commission:

(a) formulating the maximum price under clause 10(1) of this Order for the purposes of Part 2 of this Order; and

(b) formulating the maximum price under clause 18(1) of this Order for the purposes of Part 4 of this Order.

(2) In formulating a maximum price under clause 25A(1)(a) or (b), the Essential Services Commission:

(a) must have regard to commercial market data; and

(b) may have regard to any other matter the Essential Services Commission considers relevant.

(3) A maximum price formulated by the Essential Services 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 18(1) (as applicable); or

(b) such later date as may be specified in the notice.'

3.6. For clause 27 of the General Exemption Order, **substitute**:

'**27. Pricing rule**

(1) Despite clauses 10 and 18, until the Essential Services Commission formulates a maximum price under clause 25A 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 and published in Government Gazette No. S 553 on 30 November 2018.

(2) In this clause, ***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 (ACN 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 (ACN 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 (ACN 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 (ACN 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 (ACN 064 651 029) was licensed to distribute electricity on 27 May 2019.'

Dated 28 May 2019

Responsible Minister

HON. LILY D'AMBROSIO MP
Minister for Energy, Environment and Climate Change

PIETA TAVROU
Clerk of the Executive Council

**Electricity Industry Act 2000**

MINISTERIAL ORDER UNDER SECTION 35(3B)

I, Lily D'Ambrosio, Minister for Energy, Environment and Climate Change and Minister responsible for administering the **Electricity Industry Act 2000** (the Act), specify, pursuant to sections 35(3B)(a) and 35(3B)(b) of the Act, the following periods within which a licensee may publish a notice under section 35(3) of the Act, and the following dates on which tariffs varied in accordance with section 35(3) of the Act must take effect.

**1. Commencement**

This Order commences on the date that it is published in the Government Gazette.

**2. Periods within which a notice varying licensee standing offers must be published**

If, during the period from the date of commencement of this Order until the expiry date of this Order, a licensee proposes to publish a notice under section 35(3) of the Act, varying the tariffs determined by the licensee and published in the Government Gazette under section 35(1) of the Act, the notice may be published during the following periods:

(a) the period commencing on the date this Order commences and ending on 17 June 2019; and

(b) the period commencing on 25 November 2019 and ending on 18 December 2019.

**3. Dates on which a variation to a licensee standing offer under clause 2 must take effect**

Pursuant to section 35(3B)(b) of the Act, any variation to licensee standing offer tariffs under clause 2 of this Order must take effect on the following dates:

(a) if the variation is under clause 2(a) – on 1 July 2019; and

(b) if the variation is under clause 2(b) – on 1 January 2020.

**4. Expiry of this Order**

This Order expires on 31 March 2020.

Dated 22 May 2019

HON. LILY D'AMBROSIO MP
Minister for Energy, Environment and Climate Change

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## How To Order

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# Victoria Government Gazette

No. S 216 Tuesday 4 June 2019
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**Electricity Industry Act 2000**

ORDER UNDER SECTION 13 OF THE
**ELECTRICITY INDUSTRY ACT 2000**

Order in Council

The Lieutenant-Governor, as the Governor's deputy, with the advice of the Executive Council on the recommendation of the Minister pursuant to section 13(1B) of the **Electricity Industry Act 2000** (the Minister having first consulted with the Premier and Treasurer pursuant to section 13(1C) of that Act), acting under section 13 of the **Electricity Industry Act 2000** makes the following Order:

**1. Purpose**

The purpose of this Order is to make amendments to the Victorian default offer tariffs applying under the Order in Council made under section 13 of the **Electricity Industry Act 2000** and published in the Government Gazette No. S 208 on 30 May 2019 (***VDO Order***).

**2. Commencement**

This Order comes into effect on the date on which it is published in the Government Gazette.

**3. Amendments**

In column 5 ('Usage charge: controlled load') of the table in Schedule 1 to the VDO Order:

(a) for '$0.1618' **substitute** '$0.1917'; and

(b) for '$0.1561' **substitute** '$0.1831'.

Dated 4 June 2019

Responsible Minister

HON. LILY D'AMBROSIO MP
Minister for Energy, Environment and Climate Change

PIETA TAVROU
Clerk of the Executive Council

## ORDERS IN COUNCIL

**Electricity Industry Act 2000**

VICTORIAN DEFAULT OFFER ORDER IN COUNCIL

Order in Council

The Lieutenant-Governor, as the Governor's deputy, with the advice of the Executive Council under section 13 of the **Electricity Industry Act 2000** makes the following Order:

**1. Purpose**

The purposes of this Order are to amend the VDO Order in Council to:

(a) specify that the VDO Order in Council does not apply to the sale of electricity to an unmetered supply site; and

(b) require a review of the VDO Order in Council to commence before 31 May 2026 and every three years thereafter.

**2. Definitions**

In this Order:

***VDO Order in Council*** means the Order in Council made on Thursday 30 May 2019 under section 13 of the **Electricity Industry Act 2000** and published in Special Gazette No. S 208.

**3. Commencement**

This Order comes into effect on the day it is published in the Government Gazette.

**4. Amendments**

(1) In clause 4(1) of the VDO Order in Council, **insert** the following definitions –

'***government agency*** includes:

(a) a Commonwealth, State or local government department; and

(b) a statutory authority or government owned corporation established under a law of the Commonwealth or a State or Territory;

***unmetered supply*** means a supply of electricity to a particular piece of electrical equipment that draws a current and is connected to the distribution network without a meter; and

***unmetered supply site*** means a site that consumes by way of unmetered supply, including a government agency, but excluding a site where electricity is supplied to and purchased by domestic or small business customers.'

(2) After clause 5 of the VDO Order in Council, **insert** –

'**5A. Unmetered supply sites are not covered by this Order**

Despite clause 5, this Order does not apply to the sale of electricity to an unmetered supply site.'

(3) For clause 17 of the VDO Order in Council, **substitute** –

'**17. Periodic reviews of the operation of this Order**

The Minister must cause a review of the operation and effectiveness of this Order to be undertaken before 31 May 2026 and every three years thereafter.'

Dated: 12 December 2023

Responsible Minister:

HON. LILY D'AMBROSIO MP
Minister for Energy and Resources

SAMUAL WALLACE
Clerk of the Executive Council