

Two Victorian energy retailers pay almost \$2m for allegedly failing to meet energy efficiency obligations

Blue NRG and People Energy have paid a combined penalty of almost \$2 million after they allegedly failed to surrender enough certificates to offset their liability for the 2020 compliance year under the largest energy efficiency program in the country.

The Victorian Energy Upgrades program helps customers reduce their energy bills and greenhouse gas emissions by providing access to discounted energy efficient products and services. It is funded by energy retailers who purchase certificates in proportion to the volume of electricity and gas they sell, and then surrender these back to the Essential Services Commission.

The commission issued shortfall penalty statements to Blue NRG and People Energy for allegedly failing to surrender a combined total of almost 36,000 Victorian energy efficiency certificates in 2020.

Commission chair Kate Symons said the [Victorian Energy Upgrades program](#) was an important environmental initiative that had led to millions of inefficient energy products being removed from households and businesses across Victoria.

She said the program also encouraged investment, employment and innovation in industries that supply these products and services.

“This program has saved participating customers hundreds of dollars each year and reduced greenhouse gas emissions by more than 61 million tonnes,” Commissioner Symons said.

“However, when a retailer fails to meet its obligations, it jeopardises the program.”

Commissioner Symons said the large energy retailers were required to acquire and surrender energy efficiency certificates to meet the annual target set in Victorian legislation to achieve a reduction in greenhouse gas emissions.

“The number of certificates is set relative to the amount of energy the retailer sells in the relevant calendar year,” she said.

“All other Victorian retailers met their liability under the program in 2020 with [more than six million certificates being surrendered](#) to offset emissions generated by energy sales.”

The commission issued both penalty statements in October 2021. However, Blue NRG sought, and the commission granted, the opportunity to pay in instalments, with the final payment made this month.

Commissioner Symons said Blue NRG allegedly failed to surrender 31,184 Victorian energy efficiency certificates and People Energy allegedly failed to surrender 4624 certificates.

She said Blue NRG paid a shortfall penalty statement of \$1,585,082.72 and People Energy paid a shortfall penalty statement of \$235,037.92.

“The legislation is clear about retailers’ obligations and the consequences of failing to meet those obligations,” Commissioner Symons said.

“Both of these energy retailers understood their responsibilities, but we concluded they failed to surrender the required number of certificates.”

The program’s [2020 performance report](#) shows almost 200,000 Victorian households will save an average of \$229 per year thanks to an energy efficiency upgrade.

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