



DRAFT ENERGY COMPLIANCE AND ENFORCEMENT POLICY

Draft Decision

April 2016



An appropriate citation for this paper is:

Essential Services Commission 2016, *Draft Energy Compliance and Enforcement Policy – Draft Decision*, April 2016

CONTEXT FOR THE CONSULTATION

PURPOSE OF THIS DRAFT DECISION

The purpose of this draft decision is to propose a new *Energy Compliance and Enforcement Policy* (**Policy**) for consultation with industry and stakeholders.

BACKGROUND

On 1 January 2016, the *Energy Legislation Amendment (Consumer Protection) Act 2015* amended our enabling legislation, the *Essential Services Commission Act 2001*, and the Victorian energy industry legislation we administer – the *Electricity Industry Act 2000* and *Gas Industry Act 2001*.

The amendments established a new energy industry customer protection objective for the Commission, and also provided us with a new compliance monitoring and reporting function. Our enforcement powers were also amended to enable the Commission to:

- (a) issue a Wrongful Disconnection Penalty Notice of \$5,000.
- (b) issue an Energy Industry Penalty Notice of up to \$20,000 for particular breaches of licence conditions as specified by regulation.
- (c) accept a written undertaking that is enforceable in court; and
- (d) vary an energy licence or condition of licence in the case of non-compliance.

The maximum penalty amount we may impose using our existing Civil Penalty Notice power also increased.

To facilitate the smooth implementation of the legislative reforms, and to provide industry with certainty as to when we may use our new and updated enforcement

powers, we released an *Interim Approach to Energy Compliance and Enforcement (Interim Approach)* that modified our current *Compliance Policy Statement for Victorian Energy Businesses (January 2012)* (**Compliance Policy Statement**) by replacing Chapter 4.

The Interim Approach commenced on 1 January 2016 and will apply until such time that it and the Compliance Policy Statement are replaced by a final Policy.

CONSULTATION

We invite written submissions from regulated businesses and other interested stakeholders on our draft Policy. Submissions will inform the development of the final Policy.

Submissions should be made by 5pm on 25 May 2016 in either of the following forms, noting our preference that submissions are made in electronic form:

By email: energy.submissions@esc.vic.gov.au

By post: Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne VIC 3000

Our general approach is that submissions will be published on our website, except for any information that is commercially sensitive or confidential. Submissions should clearly identify which information is sensitive or confidential.

For any questions regarding this consultation, please contact us on (03) 9032 1300.

Our approach to consultation is set out in our *Charter of Consultation and Regulatory Practice (2012)*.

We plan to publish our final Policy by the end of June 2016, subject to the regulations that will apply to Energy Industry Penalty Notices being made.