

## Summary of proposed variations to electricity/gas licences

We set out below a summary of proposed changes to the electricity and gas licences. The table below compares the proposed clause to the wording in the more recent version of the commission’s retail licences, which may differ slightly to wording or ordering of clauses in order licences. For completeness, please note that amendments made to the ‘Definitions’ section of the licences are not included.

Clause	Current form (in most recent electricity/gas licence templates)	Proposed changes	Corresponding clause/s in new licence template
Notices	<p>#.1. A notice under this Licence is only effective if it is in writing, and dealt with as follows:</p> <p style="padding-left: 40px;">i. if given by the Licensee to the Commission – addressed to the Chief Executive Officer of the Commission at the address specified below or as otherwise notified by the Commission:</p> <p style="padding-left: 80px;">Essential Services Commission [Level 37, 2 Lonsdale Street or Level 8, 570 Bourke Street] Melbourne VIC 3000 ; or</p> <p style="padding-left: 40px;">ii. if given by the Commission to the Licensee – given by the Chief Executive Officer of the Commission and addressed (and marked for attention of) the Chief Executive</p>	<ul style="list-style-type: none"> <li>• Amended clause #.2.ii to deem a notice sent by post to be effected in accordance with section 160(1) of the Evidence Act 2008 (Vic) (instead of upon delivery), for consistency with legislation.</li> <li>• Amended clause #.1.i. to refer to the commission’s new Bourke Street address.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 2 of Template Electricity Licence.</li> <li>• Clause 2 of Template Gas Licence.</li> </ul>

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	<p>Officer of the licensee at the address specified below or as otherwise notified by the Licensee:</p> <p>[Licensee name and address]</p> <p>A notice is to be:</p> <ul style="list-style-type: none"> <li>iii. signed by or on behalf of the person giving the notice and delivered by hand; or</li> <li>iv. signed by or on behalf of the person giving the notice and sent by pre-paid post; or</li> <li>v. transmitted electronically by or on behalf of the person giving the notice by electronic mail or facsimile transmission.</li> </ul> <p>#.2. A notice is deemed to be effected:</p> <ul style="list-style-type: none"> <li>i. if delivered by hand – upon delivery to the relevant address;</li> <li>ii. if sent by post- upon delivery to the relevant address;</li> </ul>		

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	<p>iii. if transmitted electronically – in accordance with the <i>Electronic Transactions (Victoria) Act 2000</i> (Vic).</p> <p>#.3. A notice received after 5.00pm, or on a day that is not a business day, is deemed to be effected on the next business day.</p>		
Grant of the Licence	<p>#.1 Subject to clauses #.2 and #.3, in exercise of its powers under [section 19 of the EI Act / section 26 of the GI Act], the Commission grants the Licensee a licence to sell [electricity / gas by retail] on the terms and conditions set out in this Licence with effect from the Commencement Date.</p> <p>#.2 This Licence does not permit the Licensee to sell electricity to customers within an Embedded Network, unless the Licensee is the financially responsible retailer in respect of the relevant child connection point <i>[Note that the form of this clause varies substantively across different licences]</i></p> <p>#.3 This Licence does not permit the Licensee to sell electricity through the Wholesale Electricity Market except when settling Small Renewable Energy Generation Electricity exports by a Customer through AEMO.</p>	<ul style="list-style-type: none"> <li>Customer types to whom licensees are authorised to sell electricity or gas have been standardised where appropriate, for consistency across licences. Any restrictions on customer types to whom licensees are authorised to sell will be included under clause 9 (special conditions).</li> <li>Clause #.2 has been removed to provide for consistency amongst retail licensees.</li> <li>Amended to refer to the date on which the licence was first granted and the variation history.</li> </ul>	<ul style="list-style-type: none"> <li>Clause 3 of Template Electricity Licence.</li> <li>Clause 3 of the Template Gas Licence.</li> </ul>
Variation	<p>#.1 For the purposes of [section 29(1)(a) of the EI Act / section 38 of the GI Act], the Commission may vary this Licence in</p>	<ul style="list-style-type: none"> <li>Removed the option for the commission to vary the licence without prior notice where it wishes to amend the list of</li> </ul>	<ul style="list-style-type: none"> <li>Clause 4 of Template Electricity Licence.</li> </ul>

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	<p>accordance with the procedures set out in this clause #.</p> <p>#.2 Where the Commission:</p> <ol style="list-style-type: none"> <li>a. wishes to amend the list of instruments referred to in clause [compliance with regulatory instruments clause]; or</li> <li>b. is of the opinion that a proposed variation to the Licence is consistent with its Objectives and is: <ol style="list-style-type: none"> <li>(1) of an administrative or trivial nature; or</li> <li>(2) required urgently, such that it would not be appropriate to issue a notice under [section 29(1)(c) of the EI Act/section 38(1)(c) of the GI Act],</li> </ol> </li> </ol> <p>the Commission may issue a notice to the Licensee varying this Licence accordingly.</p> <p>#.3 A notice issued under clause #.2 will include:</p> <ol style="list-style-type: none"> <li>a. the terms of the variation;</li> <li>b. the purpose of the variation;</li> <li>c. where clause #.2(b) applies, confirmation that the Commission is of that opinion; and</li> <li>d. the date upon which the variation will take effect.</li> </ol>	<p>instruments that a Licensee must comply with. This is because the list of instruments previously included codes that were enforced as licence conditions and they will now be enforced as codes of practice made under Part 6 of the ESC Act.</p> <ul style="list-style-type: none"> <li>• Removed the requirement for the commission to be satisfied that it would 'not be appropriate to issue a notice under [section 29(1)(c) of the EI Act/section 38(1)(c) of the GI Act]', where the commission is already satisfied that a variation is required urgently.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 4 of the Template Gas Licence.</li> </ul>
Transfer	This licence may be transferred in accordance with [section 31 of the EI Act / section 40 GI Act].	<ul style="list-style-type: none"> <li>• No change. This clause is duplicative of section 31 of the EI Act and section 40 of the GI Act (which provides that the</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 5 of Template Electricity Licence.</li> </ul>

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		holder of a licence may apply to the commission for approval to transfer a licence). However, it is retained for signposting purposes.	<ul style="list-style-type: none"> <li>• Clause 5 of the Template Gas Licence.</li> </ul>
Revocation	<p>#.1 The Commission may revoke this Licence:</p> <ol style="list-style-type: none"> <li>at any time at the request of or with the consent of the Licensee; or</li> <li>in accordance with the Act.</li> </ol> <p>#.2 Where consistent with its Objectives under the Act and the ESC Act, the Commission may revoke this Licence if:</p> <ol style="list-style-type: none"> <li>the Licensee fails to comply with an Undertaking or a Final Enforcement Order;</li> <li>the Licensee breaches any condition of this Licence, including any condition deemed to apply by the Act or any other applicable legislation;</li> <li>any information provided by the Licensee pursuant to this Licence, in its application for the Licence is found to be materially false or misleading;</li> <li>the Licensee's financial viability or technical capacity is such that the Commission considers that the Licensee would be unable to satisfactorily meet its obligations under this Licence;</li> <li>the Licensee fails to comply with a decision, direction, determination or arrangement (including any arrangement concerning load</li> </ol>	<ul style="list-style-type: none"> <li>• The clause is updated to remove failure to comply with an Enforcement Order as a basis for revocation as this enforcement mechanism has been removed. It is replaced with failure to comply with enforcement action under Part 7 of the ESC Act, including an undertaking, an order made by a court or a compliance notice.</li> <li>• The clause provides that a breach of a licence condition is a basis for revocation, this is updated to include a ministerial licence condition.</li> <li>• The clause is updated to include that a breach of any requirement of a Code of Practice is a basis for revocation. As the codes were previously enforced as a condition of a licence, a breach of a code would have been a basis for revocation by reason of it being a breach of a licence condition.</li> <li>• The clause provided that any information provided by the Licensee "pursuant to this Licence" that was materially false or misleading was a basis for revocation. The words "pursuant to this licence" have been removed such that any provision of false</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 6 of Template Electricity Licence.</li> <li>• Clause 6 of the Template Gas Licence.</li> </ul>

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	<p>shedding) (as the case may be) made by or agreed with the Commission, AEMO or the Minister; or</p> <p>f. following any one of the following events:</p> <ol style="list-style-type: none"> <li>1. a petition or other application being presented, or resolution being passed, for the winding up, liquidation or dissolution of the Licensee or notice of intention to propose such a resolution being given, or the entry of the Licensee into a scheme of arrangement or compromise or deed of company arrangement with any of its creditors;</li> <li>2. the appointment of an Administrator, a receiver or receiver and manager or official manager or agent of a secured creditor to any of the Licensee's property;</li> <li>3. the Licensee ceasing to carry on business or stopping or wrongfully suspending payment to any of its creditors or stating its intention to do so;</li> </ol> <p>and the Commission determines that the event, or actions arising from the event, would, or would be likely to,</p>	<p>or misleading information, for instance that provided pursuant to a Code of Practice, may be a basis for revocation.</p> <ul style="list-style-type: none"> <li>• The clause provided for the commission to revoke a licence if it considered that the Licensee would be unable to satisfactorily meet its obligations under the licence, this is broadened to refer to an inability to meet its obligations under the licence, a code of practice or the EI Act / GI Act.</li> <li>• The clause provided for withdrawal of a notice of revocation if there was compliance with an undertaking or enforcement order or if the commission considered it appropriate to withdraw the notice. This clause has been simplified to refer to the commission being able to withdraw a notice of revocation if it considers it is appropriate to do so.</li> </ul>	

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	<p>result in the inability of the Licensee to meet its obligations under this Licence.</p> <p>#.3 Where the Commission decides to revoke this Licence, the Commission will issue a notice to the Licensee, specifying:</p> <ul style="list-style-type: none"> <li>a. the basis upon which the Commission is revoking this Licence; and</li> <li>b. the date upon which the revocation will take effect, such date to be: <ul style="list-style-type: none"> <li>1. in the case of a breach of clauses [electricity/gas purchase arrangements clause] or [use of distribution system arrangements clause], or where clause #.2.a. applies, or where in the Commission's opinion it is appropriate that the Licence be revoked in a shorter time frame having regard to its objectives and the events or circumstances that gave rise to the notice being issued, no less than 5 Business Days after the date upon which the notice is issued; and</li> <li>2. in all other cases, no less than 20 Business Days after the date upon which the notice is issued;</li> </ul> </li> </ul> <p>and, subject to clause #.4<b>Error! Reference source not found.</b>, this</p>		

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	<p>Licence will be revoked on the date specified in the notice.</p> <p>#.4. The Commission may, at its discretion and by written notice to the Licensee, withdraw a notice issued under clause #.3 at any time prior to the revocation date specified in the notice if the Commission is satisfied that the Licensee has complied with the relevant [Final Enforcement Order / enforcement order] or Undertaking, or rectified the breach or complied with the relevant decision, direction, determination or arrangement (as the case may be), or if the Commission considers that it is otherwise appropriate to withdraw the notice.</p>		
Administrator	<p>#.1. [Subject to [revocation clause], if / If] an Administrator is appointed to the Licensee's business under [section 34 of the EI Act / section 41 of the GI Act], the Administrator must exercise its functions and powers in such a manner as may be specified by the Commission in the instrument of appointment.</p>	<ul style="list-style-type: none"> <li>This is removed. This obligation is addressed in clause 34(3) of the EI Act and section 41 of the GI Act. Going forward, if there is a situation of an administrator being appointed, the licensee and commission can refer to the EI Act or GI Act as required.</li> </ul>	N/A.
Status of the requirements of this Part	<p>#.1 A failure on the part of the Licensee to meet any of the requirements set out in this Part C:</p> <ol style="list-style-type: none"> <li>is a breach of a condition for the purposes of Part 7 of the ESC Act; and</li> <li>is a breach of a condition for the purposes of clause [revocation clause] of this Licence.</li> </ol> <p>#.2. The Licensee acknowledges that any condition deemed by the Act to be included in a licence to sell</p>	<ul style="list-style-type: none"> <li>This clause is updated to identify that a licence condition in Part C of the licence is a civil penalty requirement for the purpose of the ESC Act.</li> <li>This clause also contained acknowledgement by a licensee that any condition deemed by the Act to be included in a licence to sell electricity forms part of the licence and that a</li> </ul>	<ul style="list-style-type: none"> <li>Clause 7 of Template Electricity Licence.</li> <li>Clause 7 of Template Gas Licence.</li> </ul>



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	electricity forms part of this Licence and that a breach of any such condition constitutes a breach of a condition for the purposes of clause [revocation clause] of this Licence.	breach of a condition constitutes a breach of a condition for the purpose of revocation. This is removed, noting that the revocation clause specifically identifies that breaches of statutory licence conditions and ministerial licence conditions may be a basis for revocation.	
Payment of fees	#.1. The Licensee must pay a licence fee as determined by the Minister in accordance with the provisions of [section 22 of the EI Act/section 30 of the GI Act].	<ul style="list-style-type: none"> <li>No change.</li> </ul>	<ul style="list-style-type: none"> <li>Clause 2 of Standard Electricity Licence Conditions for Electricity Retail (<b>Standard Electricity Licence Conditions</b>).</li> <li>Clause 2 of Standard Gas Licence Conditions for Gas Retail (<b>Standard Gas Licence Conditions</b>).</li> </ul>
Ongoing technical capacity	#.1 The Licensee must at all times maintain: <ul style="list-style-type: none"> <li>a. such technical capacity as is: <ul style="list-style-type: none"> <li>A. required to meet its obligations under this Licence; and</li> <li>B. reasonably required to undertake the activities authorised by this Licence; and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>This clause obliged a licensee to maintain such technical capacity as required to meet its obligations under 'this Licence', this has been amended to 'its Licence, a Code of Practice or the Act'.</li> </ul>	<ul style="list-style-type: none"> <li>Clause 3 of Standard Electricity Licence Conditions.</li> <li>Clause 3 of Standard Gas Licence Conditions.</li> </ul>

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	<p>b. such additional technical capacity as is reasonably required to enable it to meet and utilise technological advances in the [electricity/gas] industry.</p> <p>#.2 In this clause [#] activities undertaken pursuant to this Licence includes any activities undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence; and</p> <p>#.3 [Electricity] The Licensee must ensure that all staff are provided with appropriate training in all Victoria specific obligations including the conditions of this Licence and the Energy Retail Code.</p> <p>#.3 [Gas] The Licensee must ensure that any contract entered into with any third parties contains such provisions as are necessary to enable the Licensee to comply with the requirements of this clause [#].</p> <p>#.4 [Gas] The Licensee must ensure that all relevant staff are provided with appropriate training in all Victoria specific obligations including the conditions of this Licence.</p>	<ul style="list-style-type: none"> <li>• The reference to Energy Retail Code was updated to the Energy Retail Code of Practice.</li> <li>• The obligation under clause #.3 for gas retail licensees to ensure that any contract entered into with third parties contains certain provisions has been removed.</li> <li>• The obligation under clause #.4 for gas retail licensees has been extended to also require appropriate training in relation to the Energy Retail Code of Practice.</li> <li>• The obligation on electricity and gas retail licensees to ensure all relevant staff are provided with appropriate training in relation to the Energy Retail Code of Practice has the words “if applicable to the activities authorised by this Licence” in recognition that some licensees will not be selling to small customers and so will not train staff in relation to the requirements of the Energy Retail Code of Practice.</li> </ul>	
Ongoing financial viability	#.1. The Licensee must at all times remain financially viable to undertake the licensed activity.	<ul style="list-style-type: none"> <li>• Minor wording change to replace “licensed activity” with “activities authorised by this Licence” for consistency with other clauses.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 4 of Standard Electricity Licence Conditions.</li> <li>• Clause 4 of Standard Gas</li> </ul>

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			Licence Conditions.
Reliability of supply (gas only)	<p>[Gas only]</p> <p>#.1. The Licensee must comply with any standard relating to the reliability of supply of gas which is determined by the Commission. If any standard is so determined, the Licensee must, whenever required by the Commission, demonstrate its actual and prospective compliance with such standard.</p> <p>#.2. The Licensee must notify any relevant distributor (and AEMO as required) of the Licensee’s contractual arrangements with the Licensee’s customers relating to interruption or curtailment of supply within 21 business days of entering into such arrangements.</p> <p>#.3. If the Licensee is notified by a distributor of any interruption or curtailment of delivery of gas at a distribution delivery point, the Licensee must use reasonable endeavours to ensure that its customers comply with any reasonable requirement set out in the notice.</p>	<ul style="list-style-type: none"> <li>• Sub-clauses #.1 and #.2. have been removed.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 5 of Standard Gas Licence Conditions.</li> </ul>
Change of Control	<p>#.7</p> <p>a. the Licensee must give the Commission a notice if any event occurs, any decision by the Licensee is made, or any other circumstance exists that will effect a Change of Control of the Licensee;</p> <p>b. the notice required under condition #.7(a) must set out particulars of the relevant event, decision or circumstance as soon as practicable and in any case not later than 3</p>	<ul style="list-style-type: none"> <li>• Minor amendment to clarify that any notice given under this clause must be in writing and “be given to the Commission” as soon as practicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 5 of Standard Electricity Licence Conditions.</li> <li>• Clause 6 of Standard Gas Licence Conditions.</li> </ul>

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	<p>Business Days after the Licensee becomes aware of the event or circumstances or makes the decision.</p>		
<p>Compliance with regulatory instruments</p>	<p><b>[Electricity]</b>  #.1 Subject to clause <b>Error! Reference source not found.</b>, the Licensee must comply with:</p> <ol style="list-style-type: none"> <li>a. the Electricity Distribution Code;</li> <li>b. the Electricity Customer Metering Code;</li> <li>c. the Electricity Customer Transfer Code;</li> <li>d. the Electricity System Code;</li> <li>e. the Energy Retail Code; and</li> <li>f. any other code, procedure or guideline issued by the Commission from time to time that is expressed as being one with which the Licensee must comply,</li> </ol> <p>to the extent they are applicable to activities undertaken by the Licensee pursuant to this Licence.</p> <p>#.2. The Commission may, from time to time, by written notice grant an exemption in relation to or otherwise modify the application of some of the requirements of the instruments referred to in clause <b>Error! Reference source not found.</b></p> <p>#.3. The Licensee must have in place a system for monitoring its compliance with this Licence and the instruments referred to in clause <b>Error! Reference source not found.</b></p> <p>#.4. The Licensee must comply with the requirements of the <i>Electricity Safety Act 1998</i> and any regulations made under that Act.</p>	<ul style="list-style-type: none"> <li>• Removed licence condition to comply with the codes, as these will no longer be enforced as licence conditions (but rather as codes of practice).</li> <li>• The licence condition to comply with a procedure or guideline is retained.</li> <li>• The clause provided that the commission may grant an exemption from the requirements in the regulatory instruments. As the list of instruments is no longer included, we have removed this clause.</li> <li>• This clause provided that the licensee must have in place a system for monitoring its compliance with the Licence and the instruments referred to in the preceding clause. As codes of practice are no longer enforced as a licence condition this has been amended to require a system to monitor compliance with ‘this Licence, any applicable Code of Practice and the Act’.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 6 of Standard Electricity Licence Conditions.</li> <li>• Clause 7 of Standard Gas Licence Conditions.</li> </ul>

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	<p>#.5. The Licensee must comply with the National Electricity Rules and the National Electricity Law.</p> <p>#.6. The Licensee must notify the Commission of any breach by it of the conditions of this Licence including any of the instruments referred to in clause <b>Error! Reference source not found.</b> as soon as reasonably practicable after it becomes aware of the breach.</p> <p><b>[Gas]</b></p> <p>#.1 Subject to clause <b>Error! Reference source not found.</b>, the Licensee must comply with:</p> <ul style="list-style-type: none"> <li>a. the Gas Distribution System Code;</li> <li>b. the Gas Safety Act 1997;</li> <li>c. any Order;</li> <li>d. the Energy Retail Code; and</li> <li>e. any other code, procedure or guideline issued by the Commission from time to time that is expressed as being one with which the Licensee must comply,</li> </ul> <p>to the extent they are applicable to activities undertaken by the Licensee pursuant to this Licence.</p> <p>#.2. The Commission may, from time to time, by written notice grant an exemption in relation to or otherwise modify the application of some of the requirements of the instruments referred to in clause #.</p> <p>#.3. The Licensee must have in place a system for monitoring its compliance with this Licence and the instruments referred to in clause #.</p> <p>#.4. The Licensee must comply with the National Gas Law and National Gas Rules.</p>		

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	<p>#.5. The Licensee must notify the Commission of any breach by it of the conditions of this Licence, including breach of any of the instruments referred to in clause 9, as soon as reasonably practicable after it becomes aware of the breach.</p>		
Electricity / gas purchase arrangements	<p>#.1. The Licensee must have in place agreements or arrangements for the purchase of electricity through the [Wholesale Electricity Market/wholesale gas market] or otherwise and any necessary authorisations as are required to enable the Licensee to perform its obligations under any contracts for the sale of [electricity/gas] to which it is a party.</p> <p>#.2. The Licensee is deemed to comply with clause #.1 if it is registered with AEMO as a 'customer' in accordance with the [National Electricity Rules/National Gas Rules].</p>	<ul style="list-style-type: none"> <li>• No change.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 7 of Standard Electricity Licence Conditions.</li> <li>• Clause 8 of Standard Gas Licence Conditions.</li> </ul>
Use of System Agreements / Use of Distribution System Agreements	<p>#.1. Subject to clause #.4, the Licensee must have a Use of System Agreement with each Distributor in whose distribution area the Supply Point of any Customer of the Licensee is located. Each Use of System Agreement must be in Writing.</p> <p>#.2. If a Distributor offers the Licensee a new form of default Use of System Agreement under clause 4.8 of its Distribution Licence, the Licensee must not unreasonably refuse to accept such an offer.</p> <p>#.3. Any question as to whether a Use of System Agreement unreasonably discriminates, or has the effect of creating unreasonable discrimination, between Retailers or between Customers of any</p>	<ul style="list-style-type: none"> <li>• Removed clause #.4 as there is no Licensee that is also a Distributor.</li> <li>• Amended clause #.1 so that it will not apply in respect of exempt distributors.</li> <li>• Amended clause #.3 to remove the provision regarding the commission's jurisdiction over disputes between retailers and distributors about certain questions relating to Default Use of System Agreements. Accordingly, clause #.3 is now limited to the requirement that a Use of System</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 8 of Standard Electricity Licence Conditions.</li> <li>• Clause 9 of Standard Gas Licence Conditions.</li> </ul>

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	<p>Retailer, or whether a refusal to accept an offer of a new Default Use of System Agreement is unreasonable, is to be decided by the Commission on the basis of the Commission's opinion on the matter.</p> <p>#.4. If the Licensee is also a Distributor, clause #.1 does not require the Licensee to have a Use of System Agreement with itself. The Licensee instead must act on the notional basis that the Licensee's Retail Business has and must comply with a Use of System Agreement with the Licensee's distribution business. That notional Use of System Agreement must be in Writing.</p> <p>#.5. Clause #.1 does not apply to the Licensee in respect of a Distributor until 60 business days after the date on which the Commission first approved a default Use of System Agreement submitted to the Commission by the relevant Distributor under its Distribution Licence.</p>	<p>Agreement must not unreasonably discriminate.</p>	
<p>Provision of Distribution Services</p>	<p>#.1. The Licensee must not enter into a contract for the sale of [electricity/gas] with a [Large Customer/Large Business Customer] unless:</p> <ol style="list-style-type: none"> <li>a. the contract also provides for the provision of, or procurement by the Licensee of, related Distribution Services;</li> <li>b. the [Large Customer/Large Business Customer] has entered into an agreement with a licensed Distributor for the provision of related Distribution Services; or</li> </ol>	<ul style="list-style-type: none"> <li>• This clause will be removed.</li> </ul>	<ul style="list-style-type: none"> <li>• N/A.</li> </ul>

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	<p>c. where the [Large Customer/Large Business Customer] takes an intermediary distribution or supply of [electricity/gas] (as defined in the Exemption Order) from a Distributor exempt from the requirement to hold a Distribution Licence under the Exemption Order (the 'exempt distributor'), the contract provides for the provision or procurement by the Licensee of related Distribution Services as if the [Large Customer/Large Business Customer] were directly connected to the network of the Distributor within whose Distribution Licence area the Customer is located, provided that the Licensee is in turn liable to that Distributor for charges.</p>		
Contracts with customers	<p>#.1. The Licensee must not enter into a contract for the sale of [electricity/gas] with a relevant Customer unless the terms and conditions of the contract expressly deal with each matter which is the subject of a term or condition of the Energy Retail Code. If a term or condition of the Energy Retail Code is incorporated by reference into the contract, it is taken to be expressly dealt with.</p> <p>#.2. Each term or condition of the Energy Retail Code is a term or condition with which a contract for the sale of [electricity/gas] to a relevant Customer must not be inconsistent for the purpose of [section</p>	<ul style="list-style-type: none"> <li>• This clause will be removed.</li> <li>• This clause provided that a licensee must not enter into a contract unless the terms and conditions expressly deal with each matter that is the subject of a term or condition of the Energy Retail Code of Practice. This has been removed. The Energy Retail Code of Practice will itself specify requirements for customer contracts.</li> <li>• This clause provided that each term or condition of the Energy Retail Code is a</li> </ul>	<ul style="list-style-type: none"> <li>• N/A.</li> </ul>



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	<p>36(1)(b) of the EI Act / section 43(1)(b) of the GI Act].</p> <p>#.3. The Licensee must comply with the terms and conditions of any contract for the sale of [electricity/gas] with a relevant Customer.</p>	<p>term or condition with which a contract for the sale of energy to a relevant customer must not be inconsistent for the purpose of section 36(1)(b) of the EI Act or section 43(1)(b) of the GI Act. This will be removed. The obligation is addressed in clauses 19(2) and 21(2) of the Energy Retail Code of Practice which provide that if a clause provides that a provision of the Code of practice applies in relation to standard retail contract or market contracts it is a term or condition for the purpose of section 36(1) of the EI Act or section 43(1) of the GI Act.</p> <ul style="list-style-type: none"> <li>This clause required a licensee to comply with the terms and conditions of any contract for the sale of electricity or gas with a relevant customer. This has been removed.</li> </ul>	
Information to customers	<p>#.1. The Licensee must include at least the following information in a bill issued to the Customer for the supply or sale of electricity:</p> <ol style="list-style-type: none"> <li>the [NMI assigned to the Customer's metering installation and the NMI checksum / Metering Installation Reference Number (MIRN) (including the MIRN checksum)] or, if there is no assigned [NMI/MIRN], the meter number or another unique identifying</li> </ol>	<ul style="list-style-type: none"> <li>This clause provided for information to be included in a bill. This obligation, insofar as it concerns small customers, is addressed in clause 63 of the Energy Retail Code of Practice. Accordingly, this clause has been revised so that it only applies to customers that are not small customers for the purpose of the Energy Retail Code of Practice.</li> <li>This clause provided for 5 Business Days notice of a variation to tariffs or</li> </ul>	<ul style="list-style-type: none"> <li>Clause 9 of Standard Electricity Licence Conditions.</li> <li>Clause 10 of Standard Gas Licence Conditions.</li> </ul>

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	<p>mark assigned to the metering installation;</p> <p>b. the relevant tariff or tariffs applicable to the Customer;</p> <p>c. if the Licensee directly passes through network charges to the Customer, the separate amount of the network charge; and</p> <p>d. any information required by the Act, the ESC Act, or any Commission code or guideline.</p> <p>#.2. If a variation is made to [the tariff / the customer's tariff] or to terms or conditions of a Customer's contract, unless [notice/prior notice] of the variation has been [previously provided/provided] to a Customer, the Licensee must provide such notice to the Customer in the form of a statement setting out details of the variation at least 5 Business Days prior to any changes taking effect.</p> <p>#.3. Unless clause [retailer of last resort clause] applies, the Licensee must give notice to a Customer who is a party to a Deemed Contract with the Licensee on, or as soon as practicable after, becoming aware of the Deemed Contract. This notice must:</p> <p>a. inform the Customer that there is deemed to be a contract between the Customer and the Licensee for the supply and sale of [electricity/gas];</p>	<p>terms and conditions of a contract. As various existing provisions of the Energy Retail Code of Practice regulate notice of tariff changes (eg cl 92), this clause has been revised so that it only applies to customers that are not small customers.</p> <ul style="list-style-type: none"> <li>• This clause provided for notice to a customer who is party to a deemed contract. This obligation, insofar as it concerns small customers, is addressed in clause 33 of the Energy Retail Code of Practice. Accordingly this clause has been revised so that it only applies to customers that are not small customers for the purpose of the Energy Retail Code of Practice.</li> <li>• This clause required newspaper publication of tariffs that were required to be published in the government gazette. This has been removed on the basis that there are now requirements to provide information via the Victorian Retailer Portal website and publish energy fact sheets on a retailer's websites (see clause 39 and 40 of Energy Retail Code of Practice). In removing this clause there is also removal of the requirement to include a statement in the newspaper notice that a licensee's terms and conditions for an offer are available free of charge and, if</li> </ul>	

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	<p>b. set out the tariff and summarise other terms and conditions under the Deemed Contract;</p> <p>c. describe the methods by which the Deemed Contract may be terminated and related terms and conditions; and</p> <p>d. outline the options available to the Customer.</p> <p>#.4. Where the Act or this Licence requires or has required the Licensee to publish the Licensee's tariffs in the Government Gazette, the Licensee must also publish on the same day in a newspaper circulating generally in Victoria:</p> <p>a. the tariffs; and</p> <p>b. a statement that the Licensee's related terms and conditions are available on request and free of charge in English and, if the Licensee has a significant number of customers from the same non-English speaking background, in those other languages. Such terms and conditions must actually be available in those other languages.</p> <p>#.5. If the contract between a Customer and a Retailer is a fixed term contract, prior to the expiry of the fixed term the Retailer must notify the Customer:</p> <p>a. that the contract is due to expire;</p> <p>b. when the expiry will occur;</p> <p>c. the tariff and terms and conditions that will apply to the Customer beyond the expiry of the contract if the Customer</p>	<p>the Licensee has a number of customers from the same non-English speaking background, available in those other languages. There are already similar protections in the Energy Retail Code of Practice in relation to interpreter services.</p> <ul style="list-style-type: none"> <li>• This clause provided for notification of details to a customer at the expiry of a fixed term contract. This obligation is addressed in the Energy Retail Code of Practice in respect of small customers. Accordingly this clause has been revised so that it only applies to customers that are not small customers.</li> <li>• This clause requires the financial responsible market participant to provide information to premises it knows to be vacant if it elects to leave the premises connected. This clause has been removed on the basis that if electricity or gas is consumed at the premises the Energy Retail Code of Practice requires information to be given to the customer (clause 33).</li> </ul>	

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	<p>does not exercise any other option, which the Retailer may determine at its discretion; and</p> <p>d. what other options are available to the Customer.</p> <p>e. The information must be given no sooner than 40 business days before, and no later than 20 business days before, the expiration of the fixed term (unless the fixed term is less than one month in which case the information must be given to the Customer at the commencement of the term).</p> <p>#.6. Where the Licensee has financial responsibility in the [Wholesale Electricity Market/wholesale gas market] for a [NMI/MIRN] relating to premises which it knows to be vacant, the Licensee must, if it elects to leave the premises connected, deliver to the premises an information package relating to offers of retail contracts which are available.</p>		
Hot water metering (gas only)	<p>[Gas only]</p> <p>#.1. The Licensee must, for a customer for whom it is providing services associated with bulk hot water, ensure that each hot water metering installation is provided, replaced, installed, repaired and maintained in accordance with all applicable laws and any applicable guideline.</p> <p>#.2. Without limiting clause #.1, within 20 business days after receiving a request for the provision, replacement, installation, repair or maintenance of a hot water metering installation which is not</p>	<ul style="list-style-type: none"> <li>No change.</li> </ul>	<ul style="list-style-type: none"> <li>Clause 11 of Standard Gas Licence Conditions.</li> </ul>

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	<p>functioning in accordance with all applicable laws and any applicable guideline, the Licensee must offer to provide the service requested on terms which are fair and reasonable and which are not inconsistent in the opinion of the Commission with any applicable guideline.</p> <p>#.3. If a customer replaces the Licensee with another retailer as the supplier of bulk hot water services for a multi-unit dwelling, the Licensee must, if it is the owner of the relevant hot water metering installation, on request offer to sell that hot water metering installation to the other retailer on fair and reasonable terms and conditions.</p> <p>#.4. Any question as to the fairness and reasonableness of the terms and conditions of an offer made under clause #.3 shall be decided by the Commission on the basis of the Commission's opinion on the fairness and reasonableness of the terms and conditions.</p>		
Separate accounts	#.1. If the Licensee holds more than [one category of licence / one licence] under [Part 2 of the EI Act/Part 3 of the GI Act], the Licensee must prepare separate accounts for each part of its business in respect of which it has been granted a separate licence.	<ul style="list-style-type: none"> <li>• No change to electricity licence.</li> <li>• Minor amendment to gas licence, amending "one licence" to "category of licence", for consistency with electricity licence.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 10 of Standard Electricity Licence Conditions.</li> <li>• Clause 12 of Standard Gas Licence Conditions.</li> </ul>
Payment methods	#.1. The Licensee must not implement a pre-payment Meter scheme without the prior approval of the Commission.	<ul style="list-style-type: none"> <li>• Clause #.1 has been retained. For completeness, we note that this is also regulated by section 40E of the EI Act, pursuant to which the Governor in</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 11 of Standard Electricity Licence Conditions.</li> </ul>

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	<p>#.2. The Licensee must notify the Commission at least 20 business days prior to the termination of an arrangement with any agency or payment outlet through which Customers of the Licensee may pay bills.</p>	<p>Council may by order published in the Government Gazette prohibit or regulate the implementation by a licensee of a pre-payment meter scheme in respect of the licensee's small retail customers. However, as at the present date, no such order has been made.</p> <ul style="list-style-type: none"> <li>• Clause #.2 has been removed.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 13 of Standard Gas Licence Conditions.</li> </ul>
Community service obligation agreements	<p>#.1. If so directed by [the relevant government agency / the Secretary to the Department of Health and Human Services], the Licensee must enter into an agreement with the State for the provision of community services on terms and conditions determined or agreed in accordance with [section 47 of the EI Act / Division 5 of Part 3 of the GI Act].</p>	<ul style="list-style-type: none"> <li>• This clause has been retained, with minor amendments – that is, updating any references to a specified department to instead refer to “the relevant government agency” and updating any references to “Division 5 of Part 3 of the GI Act” to refer to the relevant provision under the GI Act.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 15 of Standard Electricity Licence Conditions.</li> <li>• Clause 17 of Standard Gas Licence Conditions.</li> </ul>
Retailer of Last resort	<p>#.1. On or before a date to be nominated by the Commission in a communication given to the Licensee, the Licensee must submit to the Commission proposed tariffs, terms and conditions upon which the Licensee would sell [electricity/gas] in accordance with the requirement under clause #.2.</p> <p>#.2. Subject to clause #.3, the Licensee must sell [electricity/gas] to a Customer at tariffs and on terms and conditions approved or determined by the Commission under [Division 8 of Part 2 of the EI Act/Division 6 of Part 3 of the GI Act].</p> <p>#.3. In approving proposed terms and conditions under clause #.2, the Commission may approve</p>	<ul style="list-style-type: none"> <li>• This clause provided that, in approving proposed terms and conditions under Division 8, Part 2 of the EI Act or Division 6, Part 3 of the GI Act, the commission may approve terms and conditions which do not deal with the subject matter of the Energy Retail Code. This has been removed. Going forward, the commission's approval of proposed tariffs, terms and conditions and the list of matters the commission must have regard to in approving tariffs and terms and conditions (s 49D(2) of EI Act and s 51D(2) of GI Act) will be</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 12 of Standard Electricity Licence Conditions.</li> <li>• Clause 14 of Standard Gas Licence Conditions.</li> </ul>

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	<p>terms and conditions which do not deal with the subject matter of all of the provisions of the Energy Retail Code.</p> <p>#.4. The requirement under clause #.2:</p> <ul style="list-style-type: none"> <li>a. applies only if the Licensee is so directed by the Commission in a notice given to the Licensee;</li> <li>b. imposes an obligation on the Licensee to sell [electricity/gas] to a Customer which: <ul style="list-style-type: none"> <li>1. commences when a Last Resort Event occurs in respect of the Customer's Other Retailer; and</li> <li>2. ends: <ul style="list-style-type: none"> <li>i) after three months;</li> <li>ii) when the Customer advises the Licensee in Writing that the sale is no longer required;</li> <li>iii) when the Customer transfers to another Retailer; or</li> <li>iv) when the Customer enters into a new contract for the sale of [electricity/gas] with the Licensee,</li> <li>v) whichever occurs first.</li> </ul> </li> </ul> </li> </ul> <p>#.5. As soon as practicable after being notified by the Commission or otherwise becoming aware of its</p>	<p>provided for by the EI Act and GI Act only, not the licence conditions.</p>	

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	<p>obligation to a Customer under clause #.2, the Licensee must give the Customer notice in Writing:</p> <ol style="list-style-type: none"> <li>a. that a Last Resort Event has occurred in respect of the Other Retailer;</li> <li>b. that, as a result, the Licensee and the Customer are deemed to have entered into a contract for the sale of [electricity/gas] under [section 49E(5) of the EI Act/section 51E(5) of the GI Act];</li> <li>c. of the date the Deemed Contract commenced;</li> <li>d. of the tariff and the terms and conditions of the Deemed Contract;</li> <li>e. that the Customer's Meter has been or will be read, or an estimate will be made, as at the date the Deemed Contract commenced so that it can be established what amount of [electricity/gas] has been sold to the Customer by the Other Retailer prior to the occurrence of the Last Resort Event and what amount of [electricity/gas] has been and will be sold to the Customer by the Licensee after the occurrence of the Last Resort Event;</li> <li>f. of that Meter reading or estimated Meter reading. Notice of the Meter reading or estimated Meter reading may be given after notice of the other matters contemplated by this clause #.5 is required to be given;</li> </ol>		



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	<p>g. whether any debt owed by the Customer to the Other Retailer or by the Other Retailer to the Customer, as the case may be, will continue to be so owed and, if it will not, to whom and by whom it will be owed;</p> <p>h. of alternatives available for the Customer to arrange a transfer to another Retailer or to obtain any different tariff, or different terms and conditions, from the Licensee including that the Customer may advise the Licensee in Writing that the sale of [electricity/gas] by the Licensee is no longer required; and</p> <p>i. of how and where to obtain further information.</p>		
Provision of information	<p>#.1. The Licensee must maintain comprehensive records regarding any activities undertaken pursuant to this Licence for a period of at least 7 years.</p> <p>#.2. The Licensee must inform the Commission of any breach by it of the conditions of this Licence, including any non-compliance with the instruments referred to in clause [“compliance with regulatory instruments” clause], as soon as reasonably practicable after becoming aware of the breach.</p> <p>#.3. The Licensee must, as soon as reasonably practicable, provide AEMO with such information relating to any activities undertaken pursuant to this Licence as AEMO may properly request in</p>	<ul style="list-style-type: none"> <li>• Insertion of the words “except where expressly provided to the contrary in the Energy Retail Code of Practice” for #.1 to clarify how the record keeping obligations intersect.</li> <li>• This clause also required that a licensee give the commission notice of any non-compliance with the licence or any instrument in accordance with clause 8 as soon as reasonably practicable. This clause is proposed to be removed. We note that an obligation to report contraventions with a material adverse impact on consumers or the Victorian</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 13 of Standard Electricity Licence Conditions.</li> <li>• Clause 15 of Standard Gas Licence Conditions.</li> </ul>

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	<p>connection with the performance of its functions or the exercise of its powers under the Act in the manner and form specified by AEMO.</p> <p>#.4. The Licensee must, as soon as reasonably practicable, provide the Commission with such information relating to any activities undertaken pursuant to this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act in the manner and form specified by the Commission.</p> <p>#.5. The Licensee must, as soon as reasonably practicable, provide the Commission with information on its ongoing technical capacity or financial viability to undertake the activities authorised by this Licence, as the Commission may properly request in connection to the performance of its functions or the exercise of its powers under the Act, and in a manner and form specified by the Commission.</p> <p>#.6. In this clause #:</p> <ol style="list-style-type: none"> <li>a. activities undertaken pursuant to this Licence includes any activities undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence; and</li> <li>b. information includes information in the possession, custody or control of any third party.</li> </ol>	<p>energy market as soon as practicable is currently being proposed as part of the review of the Compliance &amp; Performance Reporting Guideline. Removing this licence condition removes this duplication.</p> <ul style="list-style-type: none"> <li>• Clause #.4 required a licensee to provide information requested by the commission in relation to the activities undertaken pursuant to the licence as soon as reasonably practicable. This clause has been removed. We consider that the commission’s existing compulsory information gathering powers under the legislation obviate the need for this licence condition.</li> </ul>	

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Audit	<p>#.1. Upon request by the Commission, the Licensee must appoint an auditor approved by the Commission to conduct audits of:</p> <ol style="list-style-type: none"> <li>a. the Licensee’s compliance with its obligations under the Act or this Licence, including but not limited to the codes and guidelines referred to in clause [compliance with regulatory instruments clause];</li> <li>b. the reliability and quality of information reported by the Licensee to the Commission and the consistency of that information with the Commission’s specifications; and</li> <li>c. any other matter as directed by the Commission.</li> </ol> <p>#.2. The Licensee must ensure that the Commission is promptly provided with a copy of any reports produced by the auditor pursuant to this clause. The Licensee must comply, and must require the auditor to comply, with any guidelines issued by the Commission dealing with audits under this clause.</p>	<ul style="list-style-type: none"> <li>• Amended from an “Audit” clause to a “Review” clause.</li> <li>• “Review” is defined as including a regulatory audit, but may also encompass some other process depending on the particular circumstances of the matter needing to be examined. The term “Review” will be defined as follows: <i>“A systemic and independent process for obtaining evidence and evaluating it objectively to determine the extent to which particular criteria are fulfilled, this includes, but is not limited to, a regulatory audit undertaken in accordance with relevant guidelines issued by the commission.”</i></li> <li>• Licence clarifies that a Licensee must obtain the commission’s approval of the independent reviewer and the scope, timing and methodology of the Review, which is an existing requirement of a regulatory audit as per the relevant guideline.</li> </ul>	<ul style="list-style-type: none"> <li>• Clause 14 of Standard Electricity Licence Conditions.</li> <li>• Clause 16 of Standard Gas Licence Conditions.</li> </ul>

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Dispute Resolution	#.1. The Licensee must enter into a customer dispute resolution scheme approved by the Commission under [section 28 of the EI Act/section 36 of the GI Act].	<ul style="list-style-type: none"> <li>Removed. This obligation is contained in a statutory licence condition.</li> </ul>	<ul style="list-style-type: none"> <li>N/A.</li> </ul>
Compliance with Laws	#.1. The Licensee must comply with all applicable laws. #.2. The Licensee must ensure that any contract entered into with any third parties contains such provisions as are necessary to enable the Licensee to comply with the requirements of this Licence.	<ul style="list-style-type: none"> <li>Clause has been removed. However, note that the commission will retain the power to revoke a licence for, relevantly, failure to meet technical capacity requirements under clause 6 of template licence.</li> </ul>	<ul style="list-style-type: none"> <li>N/A.</li> </ul>