



**ELECTRICITY INDUSTRY ACT 2000
GAS INDUSTRY ACT 2001
APPLICATION FOR AN ELECTRICITY AND GAS RETAIL LICENCE**

**Telstra Energy (Retail) Pty Ltd
ACN 645 100 447**

RECORD OF DECISION

15 December 2021

SUMMARY

Pursuant to the provisions of section 19(1) of the Electricity Industry Act 2000 (Vic) (EI Act) and section 26(1) of the Gas Industry Act 2001 (Vic) (GI Act) the Essential Services Commission (the commission) has granted Telstra Energy (Retail) Pty Ltd (ACN 645 100 447) (Telstra Energy) a licence to sell electricity and a licence to sell gas to customers in Victoria.

BACKGROUND

Section 16(1) of the EI Act relevantly provides that a person must not engage in the generation of electricity for supply or sale or the transmission, distribution, supply or sale of electricity, unless the person is:

- (a) the holder of a licence authorising the relevant activity; or
- (b) is exempted from the requirement to obtain a licence in respect of the relevant activity.

Section 22(2) of the GI Act contains an equivalent provision in relation to gas.

Telstra Energy is not exempted from the requirement to obtain a licence in respect of the relevant activity.

Section 18(1) of the EI Act and section 25(1) of the GI Act provide that a person may apply to the commission for a licence authorising the sale of electricity and gas respectively.

THE APPLICATION

On 12 February 2021, Telstra Energy submitted applications to the commission for licences authorising it to sell electricity and gas to customers in Victoria.

Consistent with the requirements of the commission's 'Guide to Applications for Electricity and Gas Industry Licences', Telstra Energy provided the commission with documentation supporting the applications.

In particular, Telstra Energy provided information concerning its technical capacity and its financial viability to undertake the relevant activities.

On 20 May 2021, the commission published a copy of the applications, and invited interested parties to make submissions in respect of the applications. The commission received 14 submissions.

DECISION

Section 19(1) of the EI Act and section 26(1) of the GI Act provide that the commission may grant or refuse the applications for any reason it considers appropriate, having regard to the objectives of the commission under the provisions of the EI Act, the GI Act and the Essential Services Commission Act 2001 (Vic) (ESC Act).

The commission considered Telstra Energy's licence applications and the submissions regarding these applications.

The commission is satisfied that Telstra Energy:

- has the technical capacity to comply with the conditions of the licences;
- has the financial resources to carry out the activities authorised by the licences; and
- is a fit and proper person to hold licences to sell electricity and to sell gas by retail in Victoria.

In accordance with section 19(1) of the EI Act and section 26(1) of the GI Act, and having regard to its objectives under the ESC Act and the EI Act and GI Act, the commission has decided to grant Telstra Energy (Retail) a licence to sell electricity and a licence to sell gas in Victoria, subject to conditions specified in the licence.

The licence includes special conditions directed to addressing risks identified by the commission in relation to Telstra Energy's entry into the Victorian energy retail market. Telstra Energy was given an

opportunity to comment on these potential conditions and its feedback was taken into account in the making of the commission's decision.

THE COMMON SEAL
of the ESSENTIAL
SERVICES COMMISSION
was affixed pursuant to the
authority of the Commission
on 15 December 2021

)
)
)
)
)



Kate Symons
Chairperson