



Hon Lily D'Ambrosio MP

Minister for Climate Action
Minister for Energy and Resources
Minister for the State Electricity Commission

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Ms Michelle Groves
Chairperson
Energy Safe Victoria
PO Box 262
Collins Street West
MELBOURNE VIC 3000

Ref: MBR049894



Dear Ms Groves

STATEMENT OF EXPECTATIONS FOR ENERGY SAFE VICTORIA

I am pleased to provide you with this Statement of Expectations (SOE) for Energy Safe Victoria (ESV). It replaces the 2021–23 SOE, effective 30 June 2023 and will remain current until it is superseded.

This SOE outlines my priorities for ESV's administration and enforcement of regulation. As Minister for Energy and Resources, I am responsible for administering the *Energy Safe Victoria Act 2005*, *Electricity Safety Act 1998*, *Gas Safety Act 1997*, and *Pipelines Act 2005*. Under this legislation, ESV is a technical and safety regulator responsible for ensuring the safe generation, supply and use of electricity and gas; and the safety regulator for pipelines. Consequently, this SOE should be read in the context of the objectives, powers and functions of these Acts.

Efficient delivery of risk-based regulation

It is important that ESV continues to adapt to the changing energy environment and continues to strengthen its capability and preparedness to take regulatory action. I expect ESV to consistently apply efficient risk assessment across its activities and exercise proportionate regulation that protects the safety of workers and the community and promotes high levels of compliance without imposing a disproportionate cost burden on consumers.

Areas of focus should be domestic solar installations and lithium-ion batteries, and gas appliances in residential settings, including for ESV to raise public awareness, provide support for policy reforms, and to regulate the safety of gas disconnection services.

I expect ESV to continue to act on bushfire risks through audits of bushfire mitigation plans and implementing the recommendations of the Rapid Earth Fault Current Limiters Functional Performance Review.

As part of the **transition to renewable energy** the Victorian Government will commission a review of regulatory and licensing requirements for renewable energy systems to ensure they support the uptake of emerging technologies without impacting worker and community safety. The Department of Energy, Environment and Climate Action will lead the review and I expect ESV to actively support by providing its technical and regulatory skills.

In relation to renewable energy infrastructure and emerging technologies prioritised by the Victorian Government, including offshore wind, I expect ESV to:

- identify emerging safety trends and risks, including through ESV's adaptive strategic roadmap
- work collaboratively with DEECA to respond to new and reformed legislative and regulatory developments
- set clear expectations about regulatory compliance.



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Cyber security

In the current heightened cyber security environment, the Victorian Government and private sector are at increased risk of cyber-attack. I therefore expect ESV to ensure its risk management procedures are in line with the requirements issued by the Office of the Victorian Information Commissioner.

Compliance-related assistance and advice

ESV should continue to provide efficient, high-quality assistance and advice that reflects the best national industry standards and practice. Assistance and advice should enable regulated parties to fully understand their positive obligation for safety. ESV should also continue to drive strong enforcement activities to protect the safety of workers and the community.

In addition, I request that ESV, wherever possible, **pursue operational efficiencies** to minimise expenses. This is to include consideration of opportunities for shared services within the Victorian Public Sector.

Furthermore, I request that ESV play a leading safety advocacy role at a national level regarding all the regulatory activities outlined in this SOE.

Finally, I request ESV incorporate the above expectations into corporate and business plans and report their implementation in ESV's Annual Report. I request that ESV report to me annually in September on progress against this letter and advise me when it needs to be updated or reviewed.

This SOE is to be published on ESV's website by 31 August 2023.

Thank you for your continued commitment to keeping Victorians safe and ongoing action to achieving best practice in the administration and enforcement of regulation.

Yours sincerely



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29 June 2023