

Electricity Competition and Protection Legislation Amendment Act 2014

Explanatory notes for SL 2015 No. 32

made under the

Electricity Competition and Protection Legislation Amendment Act 2014

General Outline

Short title

Electricity Competition and Protection Legislation Amendment Act 2014

Authorising law

Section 2 of the *Electricity Competition and Protection Legislation Amendment Act 2014* (the Act).

Policy objectives and the reasons for them

The policy objective of the proclamation is to amend the current proclamation for the Act to enable the provisions of the Act not already in force, to commence on 1 July 2015, except for:

- sections 29A(2), 44, 45 and 50;
- section 50A(2) to the extent it inserts the new definition of ‘prescribed retailer’;
- section 50A(3);
- section 97(1) to the extent it omits the definition of ‘prescribed retail entity’; and
- section 97(2) to the extent it inserts the definitions of ‘designated retail market area’ and ‘prescribed retailer’.

It is necessary to defer the commencement of certain provisions of the Act in order to implement the Queensland Government’s decision to delay the commencement of retail electricity price deregulation in South East Queensland (SEQ) for 12 months. The amendments to the *Electricity Act 1994* (the Electricity Act) to remove retail price regulation in SEQ are contained sections 44, 45 and 50 of the Act.

Delaying the commencement of price deregulation also has an unintended impact on the legislative approach to the payment of the regulated solar feed-in tariff (FiT) in Queensland. To preserve the current approach to the FiT, the commencement of certain parts of sections 29A, 50A and 97 of the Act will also be deferred.

The remaining provisions of the Act contain consequential amendments that remove or amend provisions of existing Queensland energy legislation to avoid duplication upon commencement of the *National Energy Retail Law (Queensland) Act 2014* (NERLQ Act) in Queensland on 1 July 2015, and to ensure the remaining legislation continues to operate effectively. The existing proclamation fixes a commencement date of 1 July 2015 for these provisions.

Achievement of policy objectives

The proclamation achieves the desired policy objective by enabling the NERL-related provisions of the Act to commence on 1 July 2015, whilst deferring commencement of the provisions related to price deregulation and certain provisions related to the payment of the solar FiT, consistent with current government policy.

Consistency with policy objectives of authorising law

The proclamation is not inconsistent with the objectives of the Act to:

- amend the Electricity Act to remove retail price regulation in SEQ and establish an effective market monitoring regime; and
- remove or amend provisions of existing Queensland energy legislation to avoid duplication upon commencement of the NERLQ Act and to ensure that the remaining provisions continue to operate effectively.

The Act provides for commencement of the Act, other than section 31, on a date to be fixed by proclamation.

Inconsistency with policy objectives of other legislation

The commencement of the Act at this time is not inconsistent with the policy objectives of other legislation.

Alternative ways of achieving policy objectives

Section 2 of the Act provides for commencement of the Act, other than section 31, on a date to be fixed by proclamation. There are no alternate means to achieve the policy objectives effectively.

Benefits and costs of implementation

The proclamation meets the timing imperatives outlined in the policy objective of the Act with respect to the commencement of the NERLQ Act and is consistent with the subsequent Government policy decision to defer commencement of retail price deregulation in SEQ.

The proclamation raises no issues in relation to the costs of implementation of the Act.

Consistency with fundamental legislative principles

The proclamation has been drafted having regard to the Fundamental Legislative Principles outlined in the *Legislative Standards Act 1992*.

Consultation

The Office of the Queensland Parliamentary Counsel was consulted on the approach to fixing the commencement date of the Act.

No consultation has been undertaken with community or industry stakeholders in relation to the postponement regulation as it is machinery in nature.

The Department of the Premier and Cabinet and Queensland Treasury were also consulted and there are no unresolved issues.