

## Electricity Supply Amendment (Solar Bonus Scheme) Bill 2009

### Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

#### Overview of Bill

The object of this Bill is to establish the solar bonus scheme under which persons can apply to have small solar photovoltaic generators or wind turbines or small renewable energy generators of a class prescribed by the regulations connected to the electricity network and receive a payment of \$0.60 per kilowatt hour in respect of electricity that is supplied to the network by the person.

#### Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

#### Schedule 1 Amendment of Electricity Supply Act 1995 No 94

**Schedule 1 [1]** inserts proposed section 15A into the *Electricity Supply Act 1995*.

The proposed section provides that if a small retail customer applies to have a complying generator connected to a distribution network, the distribution network service provider must connect the generator or permit it to be connected, but only if the generator is to be installed at premises that are in the distribution network service provider's distribution district and the small retail customer has a right to be provided with customer connection services at those premises.

A generator is a **complying generator** if the generator:

- (a) is a solar photovoltaic generator, a wind turbine, or a renewable energy generator of a class prescribed by the regulations, that has a generating capacity of no more than 10 kilowatts, and
- (b) is installed and connected to the distribution network in a manner that provides for all the electricity generated to be supplied to the distribution network and allows the relevant distribution network service provider to measure at any instant the amount of electricity supplied, and
- (c) complies with, and is installed and connected in a manner that complies with any safety, technical or metering requirements that may be prescribed by the regulations or market operations rules.

A distribution network service provider must record a credit against charges payable at the amount of \$0.60 per kilowatt hour for electricity that is supplied to the distribution network by a small retail customer using a complying generator.

A distribution network service provider must provide the small retail customer's retail supplier with details of the amount of credit recorded for electricity that the small retail customer's complying generator has supplied to the network.

A distribution network service provider must also provide a report to the Minister for Energy and the Director-General of the Department of Industry and Investment within 28 days after 30 June and 31 December in each year. The report must set out the total number of small retail customers in the distribution network service provider's distribution district who have installed and connected a complying generator, the postcode of each such customer, the total generating capacity of all such generators in the distribution district and the amount of electricity supplied to the distribution network.

It is a condition of a distribution network service provider's licence that the distribution network service provider must not contravene proposed section 15A.

Proposed section 15A is to be repealed on 31 December 2016.

**Schedule 1 [2], [3], [5] and [10]–[13]** make consequential amendments.

**Schedule 1 [4]** provides that it is a condition of a retail supplier's licence that the retail supplier must pay a small retail customer an amount representing the amount of any credit recorded under proposed section 15A for electricity supplied by the small retail customer or must reduce an amount payable by the small retail customer by an amount representing that amount of credit.

**Schedule 1 [6]** provides that regulations may be made for or with respect to the supply of electricity to the distribution network by customers using renewable energy generators. Regulations may also be made to prescribe additional criteria that may have to be satisfied before a credit can be recorded under proposed section 15A.

**Schedule 1 [7]** provides for a review of the solar bonus scheme to be undertaken by the Minister for Energy as soon as possible after 1 July 2012 or as soon as the Minister becomes aware that the total generating capacity of all complying generators reaches 50 megawatts, whichever occurs first.

**Schedule 1 [8]** permits the regulations to contain provisions of a savings or transitional nature consequent on the enactment of the proposed Act.

**Schedule 1 [9]** provides that credit is not to be provided in respect of electricity supplied before the commencement of proposed section 15A and that a generator installed before that commencement may be a complying generator. **Schedule 1 [9]** also provides for transitional arrangements in respect of schemes currently operated by Country Energy, EnergyAustralia and Integral Energy that purchase electricity

supplied by small retail customers on a net basis.