



New South Wales

# Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015

## Explanatory note

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

## Overview of Bill

The objects of this Bill are as follows:

- (a) to amend the *Electricity Supply Act 1995* and the *Electricity Supply (General) Regulation 2014* to update references and remove provisions as a consequence of the deregulation of retail electricity prices,
- (b) to provide for retail gas pricing order provisions to be retained and revived in the *Gas Supply Act 1996*,
- (c) on a future date to be proclaimed, to amend the *Gas Supply Act 1996* to remove provisions authorising regulation of retail gas prices,
- (d) to make other consequential amendments.

## 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 all of the amendments made by the proposed Act, other than the amendments relating to retail gas price deregulation, on the date of assent to the proposed Act. The proposed amendments relating to retail gas price deregulation contained in proposed Schedule 6 will commence on a day or days to be appointed by proclamation.

## **Schedule 1      Amendment of National Energy Retail Law (Adoption) Act 2012 No 37**

**Schedule 1** updates a reference to voluntary pricing agreements for retail gas prices for regulated customers.

## **Schedule 2      Amendment of National Energy Retail Law (Adoption) Regulation 2013**

**Schedule 2 [1]** updates a reference to former regulated offer customers.

**Schedule 2 [2] and [3]** update references to voluntary pricing agreements for retail gas prices for regulated offer customers.

**Schedule 2 [4]** makes it clear that transitional provisions relating to regulated offer customers only apply to former regulated offer customers for the supply of electricity.

## **Schedule 3      Amendment of Electricity Supply Act 1995 No 94**

**Schedule 3 [1]–[4], [21], [23] and [25]** change references to certain customers who participate in the solar bonus scheme so as to reflect the removal of the category of regulated offer customers from the National Law. **Schedule 3 [22]** makes a consequential amendment.

**Schedule 3 [5] and [6]** omit provisions which enable the Independent Pricing and Regulatory Tribunal (the *Tribunal*) to investigate and report on and determine regulated retail tariffs or regulated retail charges for electricity. The proposed amendments are consequential on the removal of regulated offer prices for electricity from the National Law in 2014. **Schedule 3 [7]–[10] and [26]** make consequential amendments.

**Schedule 3 [11]** removes from the Tribunal its functions relating to monitoring regulated offer prices for electricity and also makes a statute law revision amendment to insert a reference to network operators consistent with other amendments made by the *Electricity Network Assets (Authorised Transactions) Act 2015*. **Schedule 3 [13] and [14]** make consequential amendments.

**Schedule 3 [12]** omits a provision that requires the Minister to provide information to the Tribunal in relation to compliance with Tribunal determinations about regulated offer prices.

**Schedule 3 [15]** omits a requirement for the Tribunal to report on compliance with Tribunal determinations about regulated offer prices.

**Schedule 3 [16]–[20]** make amendments to provisions relating to the energy ombudsman scheme consequential on the removal of electricity customers as regulated offer customers from the National Law.

**Schedule 3 [24]** inserts savings and transitional provisions.

## **Schedule 4      Amendment of Electricity Supply (General) Regulation 2014**

**Schedule 4 [1]** updates a reference to pricing agreements for retail gas prices for regulated offer customers.

**Schedule 4 [2] and [3]** remove references to regulated offer customers.

**Schedule 4 [4]** is consequential on the amendment made by **Schedule 3 [9]**.

## **Schedule 5      Amendment of Gas Supply Act 1996 No 38**

**Schedule 5 [1]** omits a provision which provided for gas pricing order provisions to cease to have effect on 30 June 2013.

**Schedule 5 [2]** changes a reference to arrangements relating to gas pricing so that the arrangements will be known as voluntary pricing agreements.

**Schedule 5 [3]** revives the gas pricing order provisions as if they had not ceased to have effect. No gas pricing orders have been made under the provisions.

## **Schedule 6      Amendments relating to retail gas price deregulation**

### **6.1    Gas Supply Act 1996 No 38**

**Schedule 6.1 [1]** omits a reference to regulated offer customers in connection with conditions relating to the energy ombudsman scheme that are imposed on gas reticulators' authorisations.

**Schedule 6.1 [2]** omits provisions that enable the Tribunal to establish a pricing mechanism (gas pricing orders) to regulate retail gas prices for regulated offer customers.

**Schedule 6.1 [3]** omits provisions which enable the Tribunal to monitor and report on compliance by retailers with gas pricing orders or voluntary transitional pricing arrangements for gas.

**Schedule 6.1 [4] and [6]** make consequential amendments.

**Schedule 6.1 [5]** inserts savings and transitional provisions.

### **6.2    Electricity Supply Act 1995 No 94**

**Schedule 6.2 [1], [2], [4]–[7] and [10]** omit references to disputes or complaints concerning regulated offer customers to whom gas is supplied from provisions relating to matters that an energy ombudsman scheme may deal with. **Schedule 6.2 [3], [8] and [9]** make consequential amendments.