



New South Wales

# Electricity Supply Amendment (Fair Price for Solar and Other Renewable Sources of Electricity) Bill 2018

## Explanatory note

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

## Overview of Bill

The object of this Bill is to provide for the determination by IPART of the minimum rate that an electricity retailer must pay for electricity generated from certain renewable sources that is supplied to the distribution system by customers.

## 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 30 days after the date of assent to the proposed Act.

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

**Schedule 1** inserts proposed Division 2B (proposed sections 53J–53M) into Part 5 of the *Electricity Supply Act 1995*.

Proposed section 53J defines certain terms that are used in the proposed Part.

Proposed section 53K provides that IPART is to determine the minimum rate that an electricity retailer must pay to a customer in respect of electricity generated from certain renewable sources and supplied to the distribution system by the customer.

Proposed section 53L prohibits an electricity retailer from paying a rate less than the rate determined by IPART under proposed section 53K.

Proposed section 53M requires an electricity retailer to keep records for the purposes of the proposed Division.



New South Wales

# Electricity Supply Amendment (Fair Price for Solar and Other Renewable Sources of Electricity) Bill 2018

## Contents

---

		Page
	1 Name of Act	2
	2 Commencement	2
<b>Schedule 1</b>	<b>Amendment of Electricity Supply Act 1995 No 94</b>	<b>3</b>



New South Wales

# Electricity Supply Amendment (Fair Price for Solar and Other Renewable Sources of Electricity) Bill 2018

No. , 2018

---

## A Bill for

An Act to amend the *Electricity Supply Act 1995* to make provision with respect to a minimum price for electricity produced by small-scale renewable energy generators.

---

**The Legislature of New South Wales enacts:**

1

**1 Name of Act**

2

This Act is the *Electricity Supply Amendment (Fair Price for Solar and Other Renewable Sources of Electricity) Act 2018*.

3

4

**2 Commencement**

5

This Act commences 30 days after the date of assent to this Act.

6

<b>Schedule 1</b>	<b>Amendment of Electricity Supply Act 1995 No 94</b>	1
<b>Part 5 Powers and duties of network operators and retailers</b>		2
Insert after Division 2A of Part 5:		3
<b>Division 2B</b>	<b>Minimum rate for electricity produced by complying generators from renewable sources</b>	4
		5
<b>53J</b>	<b>Definitions</b>	6
	In this Division:	7
	<i>complying generator</i> means a generator that:	8
	(a) is a solar photovoltaic generator or 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	9 10 11
	(b) complies with, and is installed and connected in a manner that complies with, any safety, technical or metering requirements that are prescribed by the regulations or market operations rules.	12 13 14
	<i>minimum rate</i> means the rate determined by the Independent Pricing and Regulatory Tribunal ( <i>IPART</i> ) under this Division as the minimum amount payable by a retailer to a customer for electricity produced by the customer's complying generator and supplied to the distribution system.	15 16 17 18
<b>53K</b>	<b>IPART to determine minimum rate for complying generators</b>	19
	(1) IPART is to determine, in respect of each financial year, the minimum rate payable by a retailer to a customer for electricity produced by the customer's complying generator and supplied to the distribution system.	20 21 22
	(2) In making such a determination, IPART is to have regard to the following:	23
	(a) the price of electricity in the wholesale market,	24
	(b) any distribution and transmission losses avoided in New South Wales by the supply of electricity by complying generators,	25 26
	(c) any avoided fees and ancillary charges,	27
	(d) the avoided distribution system investment costs,	28
	(e) the avoided social cost of carbon,	29
	(f) the avoided human health costs attributable to a reduction in air pollution,	30 31
	(g) any other matter that, in the opinion of IPART, is relevant to the making of the determination.	32 33
	(3) The regulations may prescribe a methodology or factors for determining any of the following:	34 35
	(a) the avoided social cost of carbon,	36
	(b) the avoided human health costs attributable to a reduction in air pollution.	37 38

<b>53L</b>	<b>Retailer not to pay less than minimum rate</b>	1
	A retailer must not pay a customer an amount less than the minimum rate in respect of the electricity produced by the customer's complying generator and supplied to the distribution system.	2 3 4
	Maximum penalty: 1,000 penalty units.	5
<b>53M</b>	<b>Retailer to keep records</b>	6
(1)	A retailer must keep and maintain records in respect of each customer of the amount of electricity produced by the customer's complying generator and the amount paid by the retailer for that electricity.	7 8 9
(2)	Any such record must be kept for not less than 5 years after the making of the record.	10 11
	Maximum penalty: 40 penalty units.	12