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LEGISLATIVE COUNCIL

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Legislative Council

**Electricity Infrastructure Investment Bill 2020
Second print**

Proposed amendment

Part 1 Preliminary, 3 Objects of the Act

1. Page 2, clause 3(1), line 17. Insert "(e) reduce electricity prices for consumers and business, and"

Part 3 Energy Security Targets, Division 1 Setting and monitoring of energy security targets

2. Page 6, clause 11(1), lines 11 and 13. Insert "continuously dispatchable" after "megawatts of"
3. Page 6, clause 11(2), line 16. At the end of (2), Insert "as well as any risks to the provision of Essential Services required to maintain system security and reliability of the supply of electricity in the State."
4. Page 6, clause 12(3)(c), line 35. At the end of (3)(c), Insert "as well as any risks to the provision of Essential Services required to maintain system security and reliability of the supply of electricity in the State."
5. Page 7, clause 12(4), line 4. Insert "(4)(b) provide a copy of the advice received by AEMO in the report, and"
6. Page 7, clause 12(6), line 8. At the end of (6), insert ", and provide a copy of the advice from AEMO in the report."
7. Page 7, clause 12(7), line 9. Omit "may" and insert "must"
8. Page 7, clause 13(2), line 16. Insert "(2) The Minister is to arrange for the report to be tabled in both Houses of Parliament within 30 days of receipt."
9. Page 7, clause 14(1), line 25. Insert "and no later than 30 days after receiving the report" after "report from the monitor,"
10. Page 7, clause 14(2), line 27. Omit "may" and insert "must".

11. Page 7, clause 14(2), line 28. At the end of 14(2), insert "no later than 30 days after receiving the report, including tabling the statement in both Houses of Parliament."

Part 4 Renewable energy zones and access schemes

Division 1 Renewable energy zones

12. Page 10, clause 18(5), line 26. At the end of 18(5), insert "and tabled by the Minister in both Houses of Parliament within 14 days."

13. Page 10, clause 19(a), line 30. Omit "on electrify costs for NSW electricity customers" and insert

- (i) electricity costs for NSW electricity customers,
- (ii) the impact of the development of the renewable energy zone on the Electricity Security Target over the next 10 years,
- (iii) the impact of the development of the renewable energy zone on the commercial viability of existing generators and any potential impacts on wholesale electricity prices,
- (iv) the impact of the development of the renewable energy zone on the provision of Essential Services over the next 10 years necessary to maintain system security and reliability of electricity supply in the State, and

14. Page 10, clause 19(d), line 34. At the end of 19(d), insert "particularly in relation to the impact of the development on the renewable energy zone on system security and reliability for the NEM, and"

15. Page 10, clause 19(e), line 34. At the end of 19(e), insert ", as well as copies of the report from the Secretary and the advice from AEMO, and seek public comment on the draft declaration."

16. Page 11, clause 22, line 38. Insert "NOTE: For the purposes of this provision, the requirements under Clause 13 of this Act (Procedures for declaring a renewable energy zone) pertaining to making the advice from the Secretary and AEMO publicly available will apply."

17. Page 12, clause 23(5), line 6. Omit "may" and insert "must"

18. Page 12, clause 23(5), line 9. Omit "may include" and insert ", including"

19. Page 12, clause 23(6), line 23. Insert

- (d) arrange for submissions on the draft declaration to be published on the Department's website as soon as a reasonably practical following their receipt, and
- (e) provide a detailed response to submissions received, and make this response available on the Department's website when the relevant declaration is published.

20. Page 12, clause 24, line 26. At the end of (1), insert “,at the earliest possible opportunity.”
21. Page 12, clause 24, line 31. Insert
- (c) arrange for submissions on the draft guidelines to be published on the Department’s website as soon a reasonably practical following their receipt, and
 - (d) provide a detailed response to submissions received, and make this response available on the Department’s website when the guidelines are published.
22. Page 13, clause 26(3), line 27. Insert “written” before “concurrence of AEMO”
23. Page 13, clause 26(3), line 27. At the end of (3), insert “, with this advice to be made available on the Department’s website within a reasonable time after its receipt”
24. Page 14, clause 28(5), line 12. Insert “(5) The infrastructure planner will arrange for the order and the reasons for the decision to be published on its website within 14 days of the order being made.”
25. Page 14, clause 28(7), line 17. Insert
- (7) Before publishing guidelines, the infrastructure planner must—
 - (a) make draft guidelines publicly available on its website for at least 28 days, and
 - (b) seek and consider submissions from the public on the draft guidelines, and
 - (c) arrange for submissions on the draft guidelines to be published on its website as soon a reasonably practical following their receipt, and
 - (d) provide a detailed response to submissions received, and make this response available on its website when the guidelines are published.

Part 5 Network infrastructure projects

Division 1 Assessment of REZ network infrastructure projects

26. Page 15, clause 29(3), line 17. Omit “consult” and insert “commission from an external consultant a detailed Cost Benefit Analysis report on each option and publish these reports on its website before consulting”
27. Page 15, clause 29(3), line 21. Insert “(d) other relevant stakeholders.”
28. Page 15, clause 29(5)(c), line 28. Insert “Additional” to “public consultation requirements.”

29. Page 15, clause 30, line 35. Insert "(2) If the consumer trustee authorises a network operator under subclause (1)(b), the consumer trustee must publish this decision on its website, and the reason(s) for that decision, within 14 days."
30. Page 15, clause 30(4), line 42. Omit "may" and insert "must".
31. Page 15, clause 30(4), line 44. At the end of 30(4), Insert "with the eligibility criteria to be published on the consumer trustee's website within a reasonable period of time."

Division 2 Directions to carry out network infrastructure projects

32. Page 16, clause 31, line 10. Insert "(2) Where a direction is issued, the Minister must table the direction and the reasons for his decision in both Houses of Parliament within 14 days."
33. Page 16, clause 33, line 35. Omit "consult with" and insert "seek detailed written advice from"
34. Page 18, clause 36(1)(a), line 3. At the end of 1(a) insert, "consistent with the relevant provisions of the National Electricity Rules,"
35. Page 18, clause 36(1)(b), line 5. At the end of (1)(b) insert "consistent with the relevant provisions of the National Electricity Rules,"
36. Page 18, clause 36(1)(c), line 8. At the end of (1)(c) insert "consistent with the relevant provisions of the National Electricity Rules,"
37. Page 18, clause 36(1)(d), line 9. At the end of (1)(d) insert "consistent with the relevant provisions of the National Electricity Rules,"
38. Page 18, clause 37(1), line 24. At the end of (1) insert ", with this determination and the reasons for the determination to be published on the regulator's website within 30 days of the decision."
39. Page 18, clause 37(3), line 32. Insert "reasonable" before "differences"
40. Page 18, clause 37(5), line 37. At the end of (5) insert ", with these guidelines to include guidance as to what would be considered a reasonable difference between the estimated and actual capital costs and the requirement for the preparation of an independent Cost Benefit Analysis where there is a material increase in costs between the original estimated costs of the network infrastructure project and the actual capital costs."

41. Page 19, clause 39, line 33. Insert "(3) Where the regulator remakes a determination, the regulator will publish that determination and the reasons for its decision on its website within 30 days of its decision."

42. Page 20, clause 40(3), line 9. Insert "written" before "concurrence".

Part 5 Electricity infrastructure investment safeguard

Division 2 Objectives and planning

43. Page 21, clause 43(2), lines 36-37. Omit "to minimise electricity costs for NSW electricity customers, and" and insert "reduce electricity costs for NSW electricity customers consistent with the Minister's Second Reading Speech and maintain employment in heavy manufacturing requiring the availability of continuously dispatchable supply of electricity, and"

44. Page 20, clause 43(2), line 42. Insert "(d) ensuring the availability of Essential Services required to maintain system security and reliability of the NSW electricity sector."

45. Page 22, clause 44(5), line 28. Omit "The" and insert "Each" before "The report" and at the end of (5) insert "within 30 days of its completion."

46. Page 23, clause 46(2), line 16. Insert "(3) Where the Minister issues a directive under Clause 40 (2) (a), the Minister must table the Directive in both Houses of Parliament and the reasons for his decision within 14 days of making that determination."

47. Page 23, clause 46(6), line 32. At the end of 46(6) insert "and the Auditor-General."

48. Page 23, clause 46(7), line 34. Insert "(8) Where the consumer trustee conducts a process other than a competitive tender, the consumer trustee will publish on its website within 30 days the details of process and the reasons for doing so."

49. Page 23, clause 47(2), line 37. Omit 47(2) and insert "(2) In making a recommendation, the consumer trustee must give primary consideration to the potential impact on consumer electricity prices and the financial value of LTES agreements."

50. Page 23, clause 47(4), line 43. Omit "may" and insert "must".

51. Page 24, clause 47, line 5. Insert

- (5) Where the consumer trustee recommends the making of an LTES agreement under clause 47(3), the consumer trustee will publish a detailed statement of reasons for this decision on the consumer trustee's website within 30 days of that recommendation."

Part 5 Electricity infrastructure investment safeguard

Division 4 Operation of long-term energy service agreements

52. Page 24, clause 48, line 13. Insert

- (4) Where an LTES agreement is suspended or terminated, the consumer trustee will publish the reasons for this action on its website within 30 days of that suspension or termination."

53. Page 24, clause 49(5a), line 24. Insert "(a) the Government's commitment to reducing consumer electricity prices,"

54. Page 25, clause 50(1), line 4. After "electricity customers" insert "and tax payers"

55. Page 25, clause 50(5)(b), line 16. After "regulator" insert "and the Auditor-General"

56. Page 25, clause 50(6), line 17. After "regulator" insert "and the Auditor-General"

57. Page 25, clause 50(7), line 19. After "regulator" insert "and the Auditor-General".
At the end of 50(7) insert "and will table a statement of his reasons for a direction to amend the risk management framework in both Houses of Parliament within 14 days."

Part 7 Electricity infrastructure fund

58. Page 25, line 29. Insert 52 Auditor-General Review

- (1) The Auditor General will report annually on the risk management framework and the extent to which it has protected the financial interests of NSW electricity consumers and NSW taxpayers, as well as the performance of scheme financial vehicles and the extent to which these vehicles have, or will, impact the State Budget over the life of scheme financial vehicles, including contingent liabilities that may accrue.

59. Page 26, clause 52, line 9. Insert

- (4) The Fund will publish an audited financial statement and balance sheet annually, with these documents to be tabled by the Minister in both Houses of Parliament within 3 months of the completion of the relevant financial year."

60. Page 27, clause 55, line 14. Insert

- (8) The consumer trustee will, following consultation with the regulator, provide an annual report to the Minister at the end of each financial year on contribution orders issued to distribution network service providers, including how these contributions were calculated for each provider, and the consequential impact of these orders on consumer electricity prices for customers of each distribution network service provider, with

the Minister to table this report in both Houses of Parliament within 3 months of the end of the relevant financial year.”

61. Page 27, clause 56, line 26. Insert

- (4) Where the regulator varies a contribution determination, the regulator will publish the reasons for this contribution determination variation on its website within 14 days of the decision and provide a report on this matter to the Minister.
- (5) Where the Minister receives a report from the regulator on the variation of a contribution determination that would involve an increase in the contribution to be paid by a distribution network service provider, the Minister will refer the matter to the Auditor General for review, with the Minister to table the Auditor-General’s report in both Houses of Parliament within 30 days of receiving that report.

Part 8 Administration

Division 1 Roles and functions

62. Page 29, clause 59, line 31. Insert

- (6) The energy security target monitor will report annually to Parliament on its functions, with the report to be provided by 30 September each year and its officers will be available to appear before Parliamentary Estimates Hearings.

63. Page 29, clause 59(3), line 19. At the end of 59(3) insert “and NSW taxpayers.”

64. Page 29, clause 59, line 31. Insert

- (6) The consumer trustee will report annually to Parliament on its functions, with the report to be provided by 30 September each year and its officers will be available to appear before Parliamentary Estimates Hearings.

65. Page 29, clause 60, line 41. Insert

- (4) The financial trustee will report annually to Parliament on its functions, with the report to be provided by 30 September each year and its officers will be available to appear before Parliamentary Estimates Hearings.

66. Page 31, clause 62, line 14. Insert

- (10) Each infrastructure planner will report annually to Parliament on its functions, with the reports to be provided by 30 September each year and officers from each infrastructure planner will be available to appear before Parliamentary Estimates Hearings.

67. Page 31, clause 63, line 18. Omit 63(1)(c)

68. Page 32, clause 66(1), line 22. After "The regulator is to" insert "undertake an annual"

69. Page 32, clause 66(3), line 28. Omit "may" and insert "will".

70. Page 32, clause 66(3), line 29. Omit "or" and insert "and". At the end of 66(3) insert "annually".

71. Page 32, clause 66, line 38. Insert

- (5) Each performance report is to be completed within 3 months of the completion of the financial year, with each report to be tabled in both Houses of Parliament by the Minister within 30 days of receipt.
- (6) The NSW Auditor-General will have the power to review, and report on, each performance audit report.

Part 9 Miscellaneous

72. Page 34, clause 69, line 15. Insert

- (6) The Minister must table the regulator's annual report in both Houses of Parliament as soon as reasonably practicable after it has been published on the regulator's website.

73. Page 34, clause 71, line 27. Omit 71(2)

74. Page 36, clause 77, line 40. Insert

- (3) The Minister will seek advice from the regulator, the AER (if it is not the regulator) and AEMO for the purposes of this report and will publish their advice as part of the Minister's report.

75. Page 36, clause 77, line 41. Omit "within 12 months" and insert "within 30 days"

76. Page 37, clause 78, line 9. Insert

- (4) All regulations made under this Act will be subject to review by the Legislation Review Committee and the Legislative Council Regulation Committee.