

Legislative Council

Electricity Infrastructure Investment Bill 2020

Second print

Proposed amendment

Part 1 Preliminary

1. Page 2, Clause 3(1)(b), line 11. Insert "and encourage" after "co-ordinate".
2. Page 2, Clause 3(1)(b), line 11. Insert "reliable generation, firming" after "generation".
3. Page 2, Clause 3(1)(c), lines 13-14. Omit "to encourage investment in new generation, storage, network and related infrastructure by reducing risk for investors, and". Insert "to ensure investor risk is not passed through to consumers".

Part 3 Energy security targets

Division 1 Setting and monitoring of energy security targets

4. Page 6, Clause 11(1), line 5. Omit "10". Insert "15".
5. Page 6, Clause 11(1), line 8. Omit "10%". Insert "50%".
6. Page 6, Clause 11(1), line 12. Insert "single" after "2".
7. Page 6, Clause 11(1), line 12. Omit "are". Insert "is".
8. Page 6, Clause 12(2)(a), line 26. Omit "once". Insert "twice".
9. Page 6, Clause 12(2)(a), line 26. Insert "The first" before "no later."
10. Part 6, Clause 12(2)(a), line 27. At the end of (2)(a), insert "the second no later than six months after publication of the first report, and".
11. Page 7, Clause 12(4)(a), line 3. Insert "the AER" after "the Secretary,".
12. Page 7, Clause 12(6), line 8. Insert "the AER" after "the Secretary,".
13. Page 7, Clause 13(1), line 15. Omit "60". Insert "30".

Division 2 Energy security target monitor's information gathering powers

14. Page 7, Clause 15(1), line 33. At the end of 15(1), insert "that is reasonably necessary for the purposes of the preparation of the energy security target monitor reports".
15. Page 7, Clause 15(2), line 37. Insert "(d) contact details for the energy security target monitor".
16. Page 9, Clause 17(2), line 1 and line 5. Omit "(b)" and "(e)".

Part 4 Renewable energy zones and access schemes

Division 1 Renewable energy zones

17. Page 10, Clause 18(1)(b), line 7. At the end of (1)(b), Insert "synthetic inertia or power system security components".
18. Page 10, Clause 18(4)(b), line 20, insert "(b) is satisfied, based on a comprehensive cost benefit analysis, this will not increase the cost of delivered energy for NSW electricity consumers, and".
19. Page 10, Clause 18(4)(b)(iv) line 25, insert "(iv) submissions received on the draft declaration."
20. Page 10, Clause 18(5), line 26, insert "and accompanying cost benefit analysis" after "A declaration".
21. Page 10, Clause 19(a), line 29. Omit "a report from the Secretary". Insert "an independent cost benefit analysis".
22. Page 10, Clause 19(d), line 34. Insert "and the AER" after "AEOM".
23. Page 10, Clause 19(e), line 36. Omit "28 days". Insert "60 days, and"
24. Page 10, Clause 19(e), line 36. Insert "(i) invite submissions about the draft declaration, with a minimum consultation period of 60 days, and".
25. Page 10, Clause 19(e), line 36, insert "(ii) consider any submissions received with that period".
26. Page 11, Clause 21(1)(c), line 15. Insert "or decrease" after "increase".
27. Page 11, Clause 21(1), line 19. Insert "(1)(f) to reduce costs for consumers".

28. Page 11, Clause 21(2), line 19. Omit "(2) The Minister cannot repeal a declaration of a renewable zone under clause 18". Insert
 - (2) The Minister may make an amendment to the declaration only if the Minister
 - (a) is satisfied that it is consistent with the objects of this Act, and
 - (b) is satisfied, based on a comprehensive cost benefit analysis, this will not increase the cost of delivered energy for NSW electricity consumers.
29. Page 11, Clause 22, lines 21-37. Omit "22 Renewable energy zones in Central-West Orana, Illawarra, New England, South West and Hunter-central Coast areas."
30. Page 12, Clause 23(4), line 5. Omit 23(4).
31. Page 12, Clause 23(6)(b), line 21. Omit "28" and insert "60".
32. Page 12, Clause 23(6)(c), line 22. Omit "seek and consider submission from the public on the draft declaration". Insert "(c) invite submissions about the draft declaration, with a minimum consultation period of 60 days, and".
33. Page 12, Clause 23(6)(c), line 22. Insert "(d) consider any submissions received within that period."
34. Page 12, Clause 24(2)(a), line 29. Omit "28". Insert "60".
35. Page 12, Clause 24(2)(b), line 30. Omit "seek and consider submissions from the public on the draft guidelines". Insert "(b) invite submissions about the draft guidelines, with a minimum consultation period of 60 days, and".
36. Page 12, Clause 24(2)(b), line 30. Insert "(c) consider any submissions received within that period."
37. Page 13, Clause 26(2), line 24. Omit "consulted with". Insert "the concurrence of the relevant".
38. Page 13, Clause 26(2), line 25. Omit "and". Insert "or".
39. Page 13, Clause 26(3), line 26. Insert "or the AER" after "AEMO".
40. Page 13, Clause 26(3), line 27. Insert "or the AER" after "AEMO".
41. Page 13, Clause 26(3), line 27. Insert, "(4) A regulation under this clause may not be made if it is inconsistent with the National Electricity Objective or the National Energy Retail Objective."
42. Page 13, Clause 28(1), line 43. At the end of 28(1), insert "within a declared renewable energy zone".

43. Page 13, Clause 28(2), lines 44-45. Omit 28(2).
44. Page 14, Clause 28(8), line 25. Omit "30". Insert "20".

Part 5 Network infrastructure projects

Division 1 Assessment of REX network infrastructure projects

45. Page 15, Clause 29(2)(a), line 11. Insert "system strength, minimum inertia and power quality" after "capacity".
46. Page 15, Clause 29(2)(c), line 14. At the end of (2)(c), insert "including connection costs to existing networks".
47. Page 15, Clause 29(3)(b), line 19. Insert "network" after "relevant".
48. Page 15, Clause 30(3), lines 40-41. Omit "(3) The consumer trustee or the regulator must not disclose the maximum amount to any person."
49. Page 16, Clause 31(3), line 21-22. Omit "The Minister must consult with a network operator before giving the network operator a direction". Insert "(3) Before making a direction, the Minister must –
 - (a) get agreement from a network operator that the declared renewable energy zone will not adversely impact the existing network
 - (b) Make a draft direction
 - (c) Invite submissions about the draft declaration, with a minimum consultation period of 60 days, and
 - (d) consider any submissions received within that period".
50. Page 16, Clause 31(4), line 23-25. Omit "(a) it is in the public interest," and "(b) it is consistent with the objects of the Act". Insert
 - (a) the network infrastructure project will not increase the cost of delivered energy for consumers
 - (b) the network infrastructure project will not adversely impact the exiting network.
51. Page 16, Clause 33(1), line 41. Insert "(e) the AER".
52. Page 17, Clause 33(2)(d), line 6. Omit "(d) other matters prescribed by the regulations.". Insert "(d) it has a positive cost benefit analysis as determined by the regulator".
53. Page 20, Clause 40(2), lines 6-7. Omit "may not be made unless the Minister has consulted with". Insert "may not be made without the concurrence of the relevant".

54. Page 20, Clause 40(3), lines 8-9. Omit "(3) A regulation under this clause that affects AEMO in the exercise of its function may not be made without the concurrence of AEMO."

Part 6 Electricity infrastructure investment safeguard

Division 2 Objectives and Planning

55. Page 21, Clause 43(2)(c), lines 40-41. Omit (2)(c). Insert (c) construction of firming infrastructure synthetic inertia and system strength components that is necessary to meet the energy security target reliability standard and maintain the minimum system strength and stability required to operate the network safely and securely.
56. Page 22, Clause 43(3), line 7. Insert (c) construction of firming infrastructure necessary to meet the energy security target reliability standard, and maintain the minimum system strength and stability required to operate the network safely and securely.
57. Page 22, Clause 44(1)(b), line 16. Omit "10". Insert "40".
58. Page 22, Clause 44(2)(b), line 22. Omit "2 years". Insert "financial year".

Division 3 Long-term energy service agreements

59. Page 23, Clause 46(2), lines 14-15. Omit "(2) The consumer trustee must not conduct a competitive tender for LTES agreements for firming infrastructure unless directed by the Minister".
60. Page 23, Clause 47(3), lines 41-42. Omit "the consumer trustee is satisfied that the LTES agreement shows outstanding merit.". Insert "it is long duration storage infrastructure, or firming infrastructure."

Division 4 Operation of long-term energy service agreements

61. Page 24, Clause 49(5) line 32. Insert "(e) to ensure that consumers do not bear the risks and costs of the LTES agreements".

Division 5 Risk Management

62. Page 25, Clause 50(1) line 3-5. Omit "protect the financial interests of NSW electricity customers in connection with the risks associated with LTES agreements." Insert "ensure costs associated with LTES agreements are not borne by NSW electricity consumers."
63. Page 25, Clause 50(5) lines 12-16. Omit (5)(a) and (b).

Part 7 Electricity infrastructure fund

64. Page 26, Clause 53(a), lines 12-13. Omit "(a) all money received by the scheme financial vehicle from a distribution network service provider under a contribution order."
65. Page 26, Clause 55(2), lines 41-42. Omit "(2) The purpose of the contribution determination is to determine the amount required to be recovered from distribution network service providers."
66. Page 27, Clause 55(3)(b) line 1. Omit "(b) the amount required to be paid by each distribution network service provider."
67. Page 27, Clause 55(5), line 7. Omit ", unless the Minister approves a later date."
68. Page 27, Clause 57, lines 27-29. Omit "(1) The scheme financial vehicle may, by order served on a distribution network service provider (a contribution order), require the distribution network service provider to pay a specified amount into the Fund."
69. Page 27, Clause 57, lines 30-32. Omit "(2) The amount specified in a contribution order is to be the amount specified in the regulator's contribution determination for the distribution network service provider, subject to any requirements prescribed by the regulations".
70. Page 27, Clause 57, lines 33-35. Omit "(3) The scheme financial vehicle may determine the amount specified in a contribution order on its own initiative if the regulator does not publish a contribution determination for the financial year within the period required under clause 49(5)."
71. Page 27, Clause 57, lines 36-38. Omit, "(4) The amount determined by the scheme financial vehicle under subclause (3) is not to exceed the amount reasonably required to enable the scheme financial vehicle to meet its liabilities as they fall due."
72. Page 27, Clause 57, lines 39-41. Omit, "(5) An amount payable by a distribution network service provider under a contribution order is recoverable by the scheme financial vehicle as a debt in any court of competent jurisdiction for payment into the Fund. "
73. Page 27, Clause 57, lines 42-45.
Page 28, Clause 57, lines 1-2.
Omit "(6) The regulations may make provision for or with respect to the circumstances in which a distribution network service provider is or is not authorised to recover part of the amount payable under a contribution order from a person who is exempt from the energy savings scheme under clause 22 of Schedule 4A to the Electricity Supply Act 1995."