

First print



New South Wales

Energy Services Corporations Amendment (Distributor Efficiency) Bill 2013

Explanatory note

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

Overview of Bill

The object of this Bill is to amend the *Energy Services Corporations Act 1995* to improve the combined operational efficiency of energy distributors by providing for the appointment of a single board of directors that is to be the board of each of the energy distributors and is to act in the best interests of energy distributors as if they formed part of a combined operation.

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 Energy Services Corporations Act 1995 No 95

Schedule 1 [1] provides for the appointment of a single board of directors as the joint board of each of the energy distributors. The joint board is required to act in the best interests of all energy distributors as if they were a combined operation.

The amendment also varies the operation of section 20N of the *State Owned Corporations Act 1989* which provides for energy distributors to be reimbursed for the costs of complying with directions that are not in their commercial interests. An energy distributor will not be entitled to be reimbursed for the costs of complying with a direction that is not in its commercial interests if the direction is in the combined commercial interests of energy distributors. The amount an energy distributor will be entitled to be reimbursed for the costs of complying with a direction that is not in the combined commercial interests of energy distributors will be reduced by any net benefit accruing to any other energy distributor as a result of compliance with the direction.

Schedule 1 [2] and [3] make consequential procedural amendments to facilitate the appointment of a single board for energy distributors.

Schedule 1 [4] provides for the chief executive officer of an energy distributor to delegate functions to an employee of the energy distributor, subject to any directions of the joint board.

Schedule 1 [5] and [6] enact consequential savings and transitional provisions.