

FIRST PRINT

ELECTRICITY COMMISSION (AMENDMENT) BILL 1987

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

This Bill is cognate with the Energy Administration Bill 1987.

The object of this Bill is to amend the Electricity Commission Act 1950 to—

- (a) require the Electricity Commission to prepare, every 3 years, Electricity Development and Fuel Sourcing Plans setting out its strategies for the provision of electricity in the State and other matters; and
- (b) increase the number of Commissioners from 5-7 to 8-10.

Clause 1 specifies the short title of the proposed Act.

Clause 2 specifies that the proposed Act will, with minor exceptions, commence on the commencement of the Energy Administration Act 1987.

Clause 3 gives effect to the Schedule of amendments.

Clause 4 saves contracts, agreements or arrangements to supply electricity made before the commencement of the proposed Act.

Schedule 1 (1) omits section 2 (Division into Parts) of the Principal Act.

Schedule 1 (2) inserts a definition of "Corporation", which means the Energy Corporation of New South Wales constituted under the Energy Administration Act 1987, into section 3 (Interpretation) of the Principal Act and updates a reference in that section to the Water Conservation and Irrigation Commission.

Electricity Commission (Amendment) 1987

Schedule 1 (3) amends section 5A (Provisions relating to the membership and procedure of the Commission) of the Principal Act to increase the number of possible members of the Electricity Commission from 5-7 to 8-10.

Schedule 1 (4) amends section 9 (Powers of Commission) of the Principal Act to prohibit the Commission from supplying electricity within the area of a council or County Council except with the Minister's approval.

Schedule 1 (5) inserts proposed Division 6 (Electricity Development and Fuel Sourcing Plans) into Part III of the Principal Act. The Division contains the following proposed sections:

Section 17A (Electricity Development and Fuel Sourcing Plans) requires Electricity Development and Fuel Sourcing Plans to be prepared and submitted by the Electricity Commission.

Section 17B (Contents of Plans) sets out the matters which are to be included in the Plans.

Section 17C (Draft Plans) requires draft Plans to be prepared and submitted by the Electricity Commission to the Minister and the Corporation and sets out the matters which are to be included in the draft Plans.

Section 17D (Review of draft Plans by Corporation) requires the Energy Corporation to review and make recommendations to the Electricity Commission about draft Plans prepared by the Commission.

Section 17E (Submission of draft Plans and Plans) provides that draft Plans must be submitted to the Minister 1 year before Plans must be submitted to the Minister and that Plans must be submitted at 3 yearly intervals, commencing 3 years after the proposed Division commences.

Section 17F (Tabling of Plans) provides for Plans to be tabled before each House of Parliament within 14 sitting days of their submission to the Minister.

Schedule 1 (6) amends section 55 (Annual report) of the Principal Act to require the Electricity Commission to include in its annual report details of actions taken or not taken in accordance with the current Plan.

Schedule 1 (7) and (8) amend the Principal Act consequentially on the amendment made by Schedule 1 (3).

ELECTRICITY COMMISSION (AMENDMENT) BILL 1987

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Act No. 22, 1950
4. Saving

SCHEDULE 1—AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950

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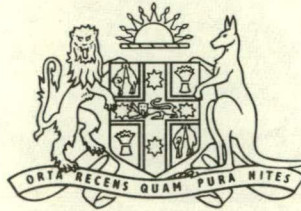
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ELECTRICITY COMMISSION (AMENDMENT) BILL 1987

NEW SOUTH WALES



No. , 1987

A BILL FOR

An Act to amend the Electricity Commission Act 1950 with respect to the members of the Electricity Commission and the preparation, review and submission of Electricity Development and Fuel Sourcing Plans by the Electricity Commission; and for other purposes.

Electricity Commission (Amendment) 1987

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:

5 Short title

1. This Act may be cited as the "Electricity Commission (Amendment) Act 1987".

Commencement

2. (1) Sections 1 and 2 shall commence on the date of assent to this
10 Act.

(2) Except as provided by subsection (1), this Act shall commence on the day appointed and notified under section 2 (2) of the Energy Administration Act 1987.

Amendment of Act No. 22, 1950

15 3. The Electricity Commission Act 1950 is amended in the manner set forth in Schedule 1.

Saving

20 4. Nothing in this Act affects any contract, agreement or arrangement to supply electricity made by the Electricity Commission before the commencement of this Act.

SCHEDULE 1

(Sec. 3)

AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950

(1) Section 2 (Division into Parts)—

25 Omit the section.

*Electricity Commission (Amendment) 1987*SCHEDULE 1—*continued*AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued(2) Section 3 (**Interpretation**)—

(a) Section 3 (1), definition of “Corporation”—

After the definition of “Commissioner”, insert:

“Corporation” means the Energy Corporation of New South
Wales constituted under the Energy Administration Act 1987.

(b) Section 3 (1), definition of “Electricity supply authority”—

Omit “Water Conservation and Irrigation Commission”, insert
instead “Water Administration Ministerial Corporation”.

(3) Section 5A (**Provisions relating to the membership and procedure of the
Commission**)—

Section 5A (1)—

Omit “not less than 5 and not more than 7 commissioners”, insert
instead “not less than 8 and not more than 10 commissioners”.

(4) Section 9 (**Powers of Commission**)—

Section 9 (2)—

Omit the subsection, insert instead:

(2) The Commission shall not supply electricity to any person
for use within the area of any council or the County District of
any County Council, except—

(a) with the approval of the Minister, on the recommendation
of the Corporation; and

(b) on such terms and conditions as may be approved by the
Minister, on the recommendation of the Corporation and
after consultation with the council or County Council
concerned.

*Electricity Commission (Amendment) 1987*SCHEDULE 1—*continued*AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

(5) Part III, Division 6—

After Division 5, insert:

DIVISION 6—*Electricity Development and Fuel Sourcing Plans*

Electricity Development and Fuel Sourcing Plans

5 17A. The Commission shall prepare and submit Electricity Development and Fuel Sourcing Plans in accordance with this Division and any directions as to procedure given by the Minister.

Contents of Plans

10 17B. (1) An Electricity Development and Fuel Sourcing Plan prepared by the Commission shall include provisions relating to—

(a) the cost-effective generation and supply of electricity in the State and the development and use of fuel sources for generation in the State in the period (of not less than 30 years) next succeeding the preparation of the Plan;

15 (b) proposals for expansion of the generation and supply of electricity in the State and for action to be taken to meet or reduce demand for electricity in the State in that period;

(c) any interstate trading or development activities or proposed activities by the Commission in that period; and

20 (d) the proposed strategy of the Commission for carrying out its functions in that period.

(2) Without affecting the generality of subsection (1), a Plan shall include—

25 (a) a description and an evaluation of fuel sources for the generation of electricity in the State, including private coal sources;

(b) an evaluation of any resources such as land or water required by the Commission for current and proposed generation of electricity;

*Electricity Commission (Amendment) 1987*SCHEDULE 1—*continued*AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

- (c) an evaluation of the likely future demand (in the opinion of the Commission) for the supply of electricity in the State and particulars of the basis on which the evaluation is made;
- 5 (d) an evaluation of the capacity of existing works and facilities to generate sufficient electricity to meet the likely future demand for the supply of electricity in the State, including an evaluation of—
- (i) plant life;
- 10 (ii) retirement and refurbishment options; and
- (iii) potential for expansion;
- (e) an evaluation of—
- (i) the reliability of existing works for the generation and supply of electricity and appropriate future levels of reliability; and
- 15 (ii) the size and mix of types of works for the generation of electricity and the appropriate future size and mix of types of works;
- (f) a description of the provision made by the Commission for the acquisition and reservation of land to be used for the generation of electricity, including a description of any relevant investigations and any action taken under the Environmental Planning and Assessment Act 1979;
- 20 (g) a discussion of the application or intended application of new technology and techniques by the Commission;
- 25 (h) an evaluation of possible strategies to be pursued by the Commission in carrying out its functions, including an evaluation of—
- (i) economic factors;
- 30 (ii) the comparative risks of competing strategies; and

*Electricity Commission (Amendment) 1987*SCHEDULE 1—*continued*AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

(iii) the comparative sensitivity of competing strategies to external factors that may affect them;

(i) an evaluation of the likely economic impact and other impact on the community (in the opinion of the Commission) of any proposed expansion of the generation of electricity and the development and use of fuel sources;

(j) a description of the methodology and assumptions used in making the evaluations set out in the Plan and in preparing the proposals and other matters contained in the Plan;

(k) particulars of the revision of matters contained in the previous Plan, if any, prepared by the Commission; and

(l) any other matter directed by the Minister to be included.

(3) In this section—

“coal” includes oil shale.

Draft Plans

17C. (1) The Commission shall prepare and submit draft Electricity Development and Fuel Sourcing Plans in accordance with this Division and any directions as to contents, methods to be used in preparation and procedure given by the Corporation, after consultation with the Commission, and with the approval of the Minister.

(2) A draft Plan shall include all the matters required to be included in a Plan by section 17B.

Review of draft Plans by Corporation

17D. (1) On receipt of a draft Plan, the Corporation shall, within such time as may be specified by the Minister—

(a) carry out a review of the draft Plan; and

(b) make such written recommendations to the Commission as to the whole or any part of the draft Plan as it thinks fit.

*Electricity Commission (Amendment) 1987*SCHEDULE 1—*continued*AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

(2) The Commission shall consider any recommendations made by the Corporation under this section before the Commission submits the relevant Plan to the Minister.

5 (3) When the Commission submits a Plan to the Minister it shall also submit a statement setting out—

(a) any recommendations as to the Plan made by the Corporation under this section; and

(b) the action, if any, taken by the Commission in relation to those recommendations.

10 **Submission of draft Plans and Plans**

17E. (1) The Commission—

(a) shall, not later than 1 year after the commencement of this Division, submit a draft Plan prepared in accordance with this Division to the Minister and to the Corporation; and

15 (b) thereafter shall submit draft Plans to the Minister and to the Corporation not later than 2 years after the submission of the previous Plan under subsection (2) or at such earlier or later time as the Minister directs.

(2) The Commission—

20 (a) shall, not later than 2 years after the commencement of this Division, submit a Plan prepared in accordance with this Division, together with the statement required by section 17D, to the Minister; and

25 (b) thereafter shall submit Plans, together with statements, to the Minister not later than 3 years after the submission of the previous Plan under this subsection or at such earlier or later time as the Minister directs.

Tabling of Plans

30 17F. A Plan submitted to the Minister under section 17E (2) shall be laid before each House of Parliament within 14 sitting days of that House after the day on which it is so submitted.

SCHEDULE 1—*continued*AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued(6) Section 55 (**Annual report**)—

Section 55 (3)—

After section 55 (2), insert:

5 (3) The Commission shall include in its annual report particulars of—

(a) action taken by the Commission in accordance with the current Electricity Development and Fuel Sourcing Plan;

10 (b) any changes in technology and any substantial changes in the circumstances or assumptions on which the current Plan was prepared; and

(c) any other action taken by the Commission which is not in accordance with the current Plan and the reasons why the action was taken,

in the year to which the report relates.

15 (7) Schedule 6 (**Provisions relating to the membership of the Commission**)—

Clause 2 (1) (b)—

Omit “not less than 3 and not more than 5”, insert instead “not less than 6 and not more than 8”.

20 (8) Schedule 7 (**Provisions relating to the procedure of the Commission**)—

Clause 2—

Omit “Three commissioners (or 4 if there are more than 5)”, insert instead “Five commissioners (or 6 if there are more than 8”.

ELECTRICITY COMMISSION (AMENDMENT) ACT 1987
No. 105

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Act No. 22, 1950
4. Saving

SCHEDULE 1—AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950

ELECTRICITY COMMISSION (AMENDMENT) ACT 1987 No. 105

NEW SOUTH WALES



Act No. 105, 1987

An Act to amend the Electricity Commission Act 1950 with respect to the members of the Electricity Commission and the preparation, review and submission of Electricity Development and Fuel Sourcing Plans by the Electricity Commission; and for other purposes. [Assented to 12 June 1987]

Electricity Commission (Amendment) 1987

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:

Short title

1. This Act may be cited as the "Electricity Commission (Amendment) Act 1987".

Commencement

2. (1) Sections 1 and 2 shall commence on the date of assent to this Act.

(2) Except as provided by subsection (1), this Act shall commence on the day appointed and notified under section 2 (2) of the Energy Administration Act 1987.

Amendment of Act No. 22, 1950

3. The Electricity Commission Act 1950 is amended in the manner set forth in Schedule 1.

Saving

4. Nothing in this Act affects any contract, agreement or arrangement to supply electricity made by the Electricity Commission before the commencement of this Act.

SCHEDULE 1

(Sec. 3)

AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950

(1) Section 2 (**Division into Parts**)—

Omit the section.

Electricity Commission (Amendment) 1987

SCHEDULE 1—*continued*

AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

(2) Section 3 (**Interpretation**)—

(a) Section 3 (1), definition of “Corporation”—

After the definition of “Commissioner”, insert:

“Corporation” means the Energy Corporation of New South Wales constituted under the Energy Administration Act 1987.

(b) Section 3 (1), definition of “Electricity supply authority”—

Omit “Water Conservation and Irrigation Commission”, insert instead “Water Administration Ministerial Corporation”.

(3) Section 5A (**Provisions relating to the membership and procedure of the Commission**)—

Section 5A (1)—

Omit “not less than 5 and not more than 7 commissioners”, insert instead “not less than 8 and not more than 10 commissioners”.

(4) Section 9 (**Powers of Commission**)—

Section 9 (2)—

Omit the subsection, insert instead:

(2) The Commission shall not supply electricity to any person for use within the area of any council or the County District of any County Council, except—

(a) with the approval of the Minister, on the recommendation of the Corporation; and

(b) on such terms and conditions as may be approved by the Minister, on the recommendation of the Corporation and after consultation with the council or County Council concerned.

Electricity Commission (Amendment) 1987

SCHEDULE 1—*continued*

AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

(5) Part III, Division 6—

After Division 5, insert:

DIVISION 6—*Electricity Development and Fuel Sourcing Plans*

Electricity Development and Fuel Sourcing Plans

17A. The Commission shall prepare and submit Electricity Development and Fuel Sourcing Plans in accordance with this Division and any directions as to procedure given by the Minister.

Contents of Plans

17B. (1) An Electricity Development and Fuel Sourcing Plan prepared by the Commission shall include provisions relating to—

- (a) the cost-effective generation and supply of electricity in the State and the development and use of fuel sources for generation in the State in the period (of not less than 30 years) next succeeding the preparation of the Plan;
- (b) proposals for expansion of the generation and supply of electricity in the State and for action to be taken to meet or reduce demand for electricity in the State in that period;
- (c) any interstate trading or development activities or proposed activities by the Commission in that period; and
- (d) the proposed strategy of the Commission for carrying out its functions in that period.

(2) Without affecting the generality of subsection (1), a Plan shall include—

- (a) a description and an evaluation of fuel sources for the generation of electricity in the State, including private coal sources;
- (b) an evaluation of any resources such as land or water required by the Commission for current and proposed generation of electricity;

Electricity Commission (Amendment) 1987

SCHEDULE 1—*continued*AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

- (c) an evaluation of the likely future demand (in the opinion of the Commission) for the supply of electricity in the State and particulars of the basis on which the evaluation is made;
- (d) an evaluation of the capacity of existing works and facilities to generate sufficient electricity to meet the likely future demand for the supply of electricity in the State, including an evaluation of—
 - (i) plant life;
 - (ii) retirement and refurbishment options; and
 - (iii) potential for expansion;
- (e) an evaluation of—
 - (i) the reliability of existing works for the generation and supply of electricity and appropriate future levels of reliability; and
 - (ii) the size and mix of types of works for the generation of electricity and the appropriate future size and mix of types of works;
- (f) a description of the provision made by the Commission for the acquisition and reservation of land to be used for the generation of electricity, including a description of any relevant investigations and any action taken under the Environmental Planning and Assessment Act 1979;
- (g) a discussion of the application or intended application of new technology and techniques by the Commission;
- (h) an evaluation of possible strategies to be pursued by the Commission in carrying out its functions, including an evaluation of—
 - (i) economic factors;
 - (ii) the comparative risks of competing strategies; and

*Electricity Commission (Amendment) 1987*SCHEDULE 1—*continued*AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

- (iii) the comparative sensitivity of competing strategies to external factors that may affect them;
 - (i) an evaluation of the likely economic impact and other impact on the community (in the opinion of the Commission) of any proposed expansion of the generation of electricity and the development and use of fuel sources;
 - (j) a description of the methodology and assumptions used in making the evaluations set out in the Plan and in preparing the proposals and other matters contained in the Plan;
 - (k) particulars of the revision of matters contained in the previous Plan, if any, prepared by the Commission; and
 - (l) any other matter directed by the Minister to be included.
- (3) In this section—
“coal” includes oil shale.

Draft Plans

17C. (1) The Commission shall prepare and submit draft Electricity Development and Fuel Sourcing Plans in accordance with this Division and any directions as to contents, methods to be used in preparation and procedure given by the Corporation, after consultation with the Commission, and with the approval of the Minister.

(2) A draft Plan shall include all the matters required to be included in a Plan by section 17B.

Review of draft Plans by Corporation

17D. (1) On receipt of a draft Plan, the Corporation shall, within such time as may be specified by the Minister—

- (a) carry out a review of the draft Plan; and
- (b) make such written recommendations to the Commission as to the whole or any part of the draft Plan as it thinks fit.

Electricity Commission (Amendment) 1987

SCHEDULE 1—*continued*

AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

(2) The Commission shall consider any recommendations made by the Corporation under this section before the Commission submits the relevant Plan to the Minister.

(3) When the Commission submits a Plan to the Minister it shall also submit a statement setting out—

- (a) any recommendations as to the Plan made by the Corporation under this section; and
- (b) the action, if any, taken by the Commission in relation to those recommendations.

Submission of draft Plans and Plans

17E. (1) The Commission—

- (a) shall, not later than 1 year after the commencement of this Division, submit a draft Plan prepared in accordance with this Division to the Minister and to the Corporation; and
- (b) thereafter shall submit draft Plans to the Minister and to the Corporation not later than 2 years after the submission of the previous Plan under subsection (2) or at such earlier or later time as the Minister directs.

(2) The Commission—

- (a) shall, not later than 2 years after the commencement of this Division, submit a Plan prepared in accordance with this Division, together with the statement required by section 17D, to the Minister; and
- (b) thereafter shall submit Plans, together with statements, to the Minister not later than 3 years after the submission of the previous Plan under this subsection or at such earlier or later time as the Minister directs.

Electricity Commission (Amendment) 1987

SCHEDULE 1—*continued*

AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

Tabling of Plans

17F. A Plan submitted to the Minister under section 17E (2) shall be laid before each House of Parliament within 14 sitting days of that House after the day on which it is so submitted.

(6) Section 55 (**Annual report**)—

Section 55 (3)—

After section 55 (2), insert:

(3) The Commission shall include in its annual report particulars of—

- (a) action taken by the Commission in accordance with the current Electricity Development and Fuel Sourcing Plan;
- (b) any changes in technology and any substantial changes in the circumstances or assumptions on which the current Plan was prepared; and
- (c) any other action taken by the Commission which is not in accordance with the current Plan and the reasons why the action was taken,

in the year to which the report relates.

(7) Schedule 6 (**Provisions relating to the membership of the Commission**)—

Clause 2 (1) (b)—

Omit “not less than 3 and not more than 5”, insert instead “not less than 6 and not more than 8”.

Electricity Commission (Amendment) 1987

SCHEDULE 1—*continued*

AMENDMENTS TO THE ELECTRICITY COMMISSION ACT 1950—
continued

(8) Schedule 7 (**Provisions relating to the procedure of the Commission**)—

Clause 2—

Omit “Three commissioners (or 4 if there are more than 5”, insert instead “Five commissioners (or 6 if there are more than 8”.

