

Electricity Industry (Licence Conditions) Amendment Regulations 2020

SL 2020/146

Made by the Governor in Executive Council.

1. Citation

These regulations are the *Electricity Industry (Licence Conditions) Amendment Regulations 2020*.

2. Commencement

These regulations come into operation as follows —

- (a) regulations 1 and 2 — on the day on which these regulations are published in the *Gazette*;
- (b) the rest of the regulations — on the day after that day.

3. Regulations amended

These regulations amend the *Electricity Industry (Licence Conditions) Regulations 2005*.

4. Regulation 3 amended

- (1) In regulation 3 delete the definitions of:

approved contract

renewable source electricity

- (2) In regulation 3 insert in alphabetical order:

approved contract — see regulations 8 and 8A;

distributed energy, in relation to an eligible customer, means electricity to which 1 or both of the following apply —

- (a) the electricity is generated by a small renewable energy system located on premises owned or occupied by the eligible customer;
- (b) the electricity is discharged from storage works located on premises owned or occupied by the eligible customer;

5. Regulation 6 replaced

Delete regulation 6 and insert:

6. Condition requiring relevant corporation to offer to purchase distributed energy

- (1) It is a condition of every retail licence and integrated regional licence held by a relevant corporation that, on and after 8 September 2020, the corporation must offer to purchase distributed energy, under an approved contract, from an eligible customer who wishes to sell distributed energy to the corporation.
- (2) For the purposes of subregulation (1), the relevant corporation is not required, on any one day, to purchase more than 50 kWh of distributed energy from the eligible customer.
- (3) Subregulation (2) does not prevent the relevant corporation from purchasing additional distributed energy from the eligible customer under the approved contract or otherwise.
- (4) For the purposes of subregulation (1), the relevant corporation is not required to purchase distributed energy (the ***relevant distributed energy***) from the eligible customer at any time when the eligible customer has, in accordance with a direction given to the corporation under the *Electricity Corporations Act 2005* section 111, a contract to sell distributed energy to the corporation if that contract relates to premises which are the same premises as that on which —
 - (a) the small renewable energy system that generates the relevant distributed energy is located; or
 - (b) the storage works from which the relevant distributed energy is discharged are located.
- (5) For the purposes of subregulation (1), the relevant corporation is not required to purchase distributed energy from the eligible customer at any time unless, at that time, the corporation has a contract with the eligible customer to sell to the eligible customer electricity for the purpose of consumption at premises which are the same premises as that on which —
 - (a) the small renewable energy system that generates the distributed energy is located; or
 - (b) the storage works from which the distributed energy is discharged are located.

6. Regulation 7 amended

In regulation 7 delete “renewable source electricity” and insert:

distributed energy

Note: The heading to amended regulation 7 is to read as follows:

Condition requiring relevant corporation to report on cost of purchasing distributed energy

7. Regulation 8 replaced

Delete regulation 8 and insert:

8. Approved contracts

- (1) An *approved contract* is a contract prepared by a relevant corporation, and approved by the Coordinator (subject to subregulation (3)), that sets out the terms and conditions on which the corporation is to purchase distributed energy from eligible customers for the purposes of regulation 6(1).
- (2) The contract may include (without limitation) technical specifications, or other technical requirements, that must be met in relation to small renewable energy systems or storage works.
- (3) The price or prices at which the relevant corporation is to purchase distributed energy from eligible customers under the contract are to be approved by the Minister, with the concurrence of the Treasurer, and not by the Coordinator.
- (4) The Coordinator must not approve a contract for the purposes of subregulation (1) unless the Coordinator considers that the contract, apart from the matters within subregulation (3), will provide for the purchase of distributed energy on fair and reasonable terms and conditions.
- (5) The Minister must not approve any price for the purposes of subregulation (3) unless the Minister considers that the price is fair and reasonable.
- (6) This regulation is subject to regulation 8A.

8A. Changes to approved contract

- (1) A relevant corporation may amend or replace an approved contract as follows —
 - (a) in relation to the matters within regulation 8(3) — with the approval of the

Minister given with the concurrence of the Treasurer;

- (b) in relation to all other matters — with the approval of the Coordinator.
- (2) An approved contract may also be amended in accordance with subregulations (3) to (6).
- (3) If the Coordinator considers that an approved contract, apart from the matters within regulation 8(3), no longer provides for the purchase of distributed energy on fair and reasonable terms and conditions, the Coordinator may, for the purpose of remedying the situation, direct the relevant corporation —
 - (a) to submit an appropriate amendment to the contract to the Coordinator for approval; and
 - (b) to do so within a period specified by the Coordinator.
- (4) In subregulation (3) —
appropriate amendment means an amendment —
 - (a) specified by the Coordinator; or
 - (b) otherwise determined by the Coordinator to be suitable for approval.
- (5) The Coordinator may approve the appropriate amendment to take effect at a future time specified by the Coordinator, and the relevant corporation must amend the approved contract accordingly.
- (6) The Minister may, with the concurrence of the Treasurer, direct an amendment to an approved contract in relation to any matter within regulation 8(3) to take effect at a future time specified by the Minister, and the relevant corporation must amend the approved contract accordingly.
- (7) The Coordinator must not give an approval for the purposes of this regulation unless the Coordinator considers that the amended or new approved contract, apart from the matters within regulation 8(3), will provide for the purchase of distributed energy on fair and reasonable terms and conditions.
- (8) The Minister must not approve or direct any price for the purposes of this regulation unless the Minister considers that the price is fair and reasonable.
- (9) It is a condition of every retail licence and integrated regional licence held by a relevant corporation that the corporation must do the following —
 - (a) comply with a direction given to the corporation under subregulation (3);

- (b) amend an approved contract as required by subregulation (5) or (6).

R. NEILSON, Clerk of the Executive Council.