



Queensland

Electricity Price Reform Amendment Bill 2011



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Contents

		Page
Part 1	Preliminary	
1	Short title	4
2	Commencement	4
Part 2	Amendment of Electricity Act 1994	
3	Act amended	4
4	Amendment of s 44A (Additional condition to allow credit for electricity produced by photovoltaic generators)	4
5	Omission of ch 4, pt 2, div 2, hdg	5
6	Insertion of new s 89A	5
	89A Definitions for pt 2.	5
7	Amendment of s 90 (Deciding prices for non-market customers)	6
8	Insertion of new ss 90AA and 90AB.	7
	90AA Delegation to QCA and terms of reference	7
	90AB Publication of notified prices.	8
9	Amendment of s 90A (Obtaining relevant information for deciding prices or methodology for fixing prices)	9
10	Omission of ch 4, pt 2, div 3 (Annual indexation)	9
11	Insertion of new s 253AA	9
	253AA Direction by Minister to give information or advice	9
12	Insertion of new ch 14, pt 10A	9
	Part 10A Transitional provisions for Electricity Price Reform Amendment Act 2011	
	328 Qualifying generators connected, or about to be connected, to supply network.	10
	329 Investigation and report by QCA in relation to price determination for relevant tariff year.	10
	330 Effect of regulation amendment	11

Electricity Price Reform Amendment Bill 2011

Contents

13	Amendment of sch 5 (Dictionary)	11
Part 3	Amendment of Electricity Regulation 2006	
14	Regulation amended	12
15	Omission of ch 3, pt 7 (Prescribed matters about notified prices)	12
16	Amendment of sch 9 (Dictionary)	12

2011

A Bill

for

An Act to amend the *Electricity Act 1994* and the *Electricity Regulation 2006*

[s 1]

The Parliament of Queensland enacts— 1

Part 1 Preliminary 2

Clause 1 Short title 3

This Act may be cited as the *Electricity Price Reform Amendment Act 2011*. 4
5

Clause 2 Commencement 6

Sections 3, 4, 12 (other than to the extent it inserts new 7
sections 329 and 330) and 13(1) are taken to have commenced 8
on 8 June 2011. 9

Part 2 Amendment of Electricity Act 1994 10
11

Clause 3 Act amended 12

This part amends the *Electricity Act 1994*. 13

Clause 4 Amendment of s 44A (Additional condition to allow credit for electricity produced by photovoltaic generators) 14
15

(1) Section 44A, heading, after 'by'— 16

insert— 17

'small'. 18

(2) Section 44A(1)(a)— 19

omit, insert— 20

‘(a) allow, as far as technically and economically practicable, a small customer for a premises to connect one qualifying generator at the premises to its supply network; and’.

(3) Section 44A(1)(b), ‘the small’—

omit, insert—

‘a small’.

(4) Section 44A(1)(b), after ‘amount’, first mention—

insert—

‘prescribed under a regulation or, if no amount is prescribed, the amount’.

(5) Section 44A(1)(b)(i)—

omit, insert—

‘(i) being produced by a qualifying generator connected to the distribution authority’s supply network; and’.

Clause 5 Omission of ch 4, pt 2, div 2, hdg 17

Chapter 4, part 2, division 2, heading— 18

omit. 19

Clause 6 Insertion of new s 89A 20

Chapter 4, part 2— 21

insert— 22

‘89A Definitions for pt 2 23

‘In this part— 24

price determination see section 90(1). 25

pricing entity means— 26

(a) the Minister; or 27

[s 7]

- (b) QCA, if the Minister delegates a function of the Minister under section 90(1) to QCA.’ 1
2

Clause 7	Amendment of s 90 (Deciding prices for non-market customers)	3 4
(1)	Section 90(1), after ‘decide’— <i>insert</i> — ‘(a <i>price determination</i>)’.	5 6 7
(2)	Section 90(2), ‘prices or methodology decided under subsection (1)’— <i>omit, insert</i> — ‘price determination’.	8 9 10 11
(3)	Section 90(3)— <i>omit</i> .	12 13
(4)	Section 90(2A), ‘decisions under subsection (1)’— <i>omit, insert</i> — ‘a price determination’.	14 15 16
(5)	Section 90(2A), ‘they’— <i>omit, insert</i> — ‘it’.	17 18 19
(6)	Section 90(2A)— <i>renumber</i> as section 90(3).	20 21
(7)	Section 90(5)— <i>omit, insert</i> —	22 23
‘(5)	In making a price determination, the pricing entity—	24
(a)	must have regard to all of the following—	25
(i)	the actual costs of making, producing or supplying the goods or services;	26 27

-
- (ii) the effect of the price determination on competition in the Queensland retail electricity market;
- (iii) if QCA is the pricing entity—any matter the pricing entity is required by delegation to consider; and
- (b) may have regard to any other matter the pricing entity considers relevant.’.
- (8) Section 90(7) to (9)—
omit.
- (9) Section 90(10)—
renumber as subsection (7).

Clause 8 Insertion of new ss 90AA and 90AB

After section 90—
insert—

‘90AA Delegation to QCA and terms of reference

- ‘(1) The Minister may delegate to QCA all or any of the Minister’s functions under section 90(1).
- ‘(2) The delegation may state the terms of reference of the price determination.
- ‘(3) The terms of reference may specify the following—
- (a) the period for which the price determination is to apply;
- (b) the time frame within which QCA is to make and publish reports on the price determination;
- (c) the particular policies or principles QCA is to consider when making the price determination;
- (d) the matters QCA must consider when working out the notified prices and making the price determination;
- Example—*
the particular methodology to be used to determine the prices

[s 8]

(e)	the consultation requirements QCA must comply with before making the price determination.	1 2
‘(4)	The terms of reference may—	3
(a)	apply generally to all tariffs or be limited in its application by reference to specified exceptions or factors; or	4 5 6
(b)	apply differently according to different factors of a specified kind.	7 8
‘90AB	Publication of notified prices	9
‘(1)	This section applies if QCA is the pricing entity.	10
‘(2)	The pricing entity must, at least 1 month before the start of each tariff year—	11 12
(a)	announce its final price determination; and	13
(b)	publish the notified prices by gazette notice.	14
‘(3)	However, a failure to comply with subsection (1) does not invalidate or otherwise affect the price determination.	15 16
‘(4)	If the pricing entity has decided that GST or the net GST effect is excluded from the notified prices, the gazette notice must include a statement (a <i>GST statement</i>) as follows—	17 18 19
(a)	that the notified prices exclude GST or the net GST effect;	20 21
(b)	if the decision was that the net GST effect is excluded—the fixed amount of the effect or the way for working it out under section 90(6)(b).	22 23 24
‘(5)	The notified prices and any GST statement take effect—	25
(a)	on a later day stated in the notice; or	26
(b)	if no day is stated in the notice—on the day the notice is gazetted.’.	27 28

Clause 9	Amendment of s 90A (Obtaining relevant information for deciding prices or methodology for fixing prices)	1
	(1) Section 90A, heading—	2
	<i>omit, insert—</i>	3
	‘90A Obtaining information for price determination’.	4
	(2) Section 90A(1), from ‘decide’ to ‘fixing prices’—	5
	<i>omit, insert—</i>	6
	‘make a price determination’.	7
Clause 10	Omission of ch 4, pt 2, div 3 (Annual indexation)	8
	Chapter 4, part 2, division 3—	9
	<i>omit.</i>	10
Clause 11	Insertion of new s 253AA	11
	After section 252—	12
	<i>insert—</i>	13
	‘253AA Direction by Minister to give information or advice	14
	‘(1) The Minister may give QCA a written direction to give the Minister information or advice on any matter related to the Queensland electricity market.	15
	‘(2) QCA must comply with the direction.	16
	‘(3) QCA must publish the direction on its website.’.	17
Clause 12	Insertion of new ch 14, pt 10A	18
	After section 327—	19
	<i>insert—</i>	20
		21
		22
		23

[s 12]

‘Part 10A	Transitional provisions for	1
	Electricity Price Reform	2
	Amendment Act 2011	3
‘328	Qualifying generators connected, or about to be	4
	connected, to supply network	5
‘(1)	This section applies if—	6
	(a) before 8 June 2011, a small customer’s qualifying	7
	generator was connected to a distribution entity’s supply	8
	network; or	9
	(b) a small customer had applied to a distribution entity	10
	before 8 June 2011 to have the customer’s qualifying	11
	generator connected to the distribution entity’s supply	12
	network, but the generator was connected to the network	13
	after 8 June 2011.	14
‘(2)	Section 44A and schedule 5, definition <i>small photovoltaic</i>	15
	<i>generator</i> , as in force immediately before the commencement,	16
	continue to apply to the qualifying generator after 8 June	17
	2011.	18
‘(3)	To remove any doubt, it is declared that subsection (2) applies	19
	for any small customer from time to time for the premises at	20
	which the qualifying generator is installed.	21
‘329	Investigation and report by QCA in relation to price	22
	determination for relevant tariff year	23
‘(1)	This section applies if, before the commencement of this	24
	section, QCA has been directed under the QCA Act, section	25
	10(e) to investigate and report on a possible alternative retail	26
	pricing methodology and schedule of retail tariffs for the	27
	relevant tariff year.	28
‘(2)	Any investigation or report submitted by QCA under the QCA	29
	Act, section 10(e) is taken to be a valid part of the price	30
	determination process under chapter 4, part 2 for the relevant	31
	tariff year.	32

-
- (3) In this section— 1
relevant tariff year means the period 1 July 2012 to 30 June 2
2013. 3

‘330 Effect of regulation amendment 4

‘The amendment of the *Electricity Regulation 2006* under the 5
Electricity Price Reform Amendment Act 2011 does not affect 6
the power of the Governor in Council to further amend the 7
regulation or to repeal it.’ 8

Clause 13 Amendment of sch 5 (Dictionary) 9

- (1) Schedule 5, definition *small photovoltaic generator*— 10
omit, insert— 11
‘*small photovoltaic generator* means a photovoltaic system 12
with a total rated inverter capacity up to— 13
(a) the amount prescribed under a regulation; or 14
(b) if no amount is prescribed—5 kilowatts.’ 15
- (2) Schedule 5, definitions *benchmark retail cost element, c/kWh,* 16
fixed principle, GST statement, NEM load, pricing entity and 17
relevant tariff year— 18
omit. 19
- (3) Schedule 5— 20
insert— 21
‘*GST statement* see section 90AB(3). 22
price determination see section 89A. 23
pricing entity, for chapter 4, part 2, see section 89A.’ 24

[s 14]

Part 3	Amendment of Electricity Regulation 2006	1
		2
Clause 14	Regulation amended	3
	This part amends the <i>Electricity Regulation 2006</i> .	4
Clause 15	Omission of ch 3, pt 7 (Prescribed matters about notified prices)	5
	Chapter 3, part 7—	6
	<i>omit.</i>	7
		8
Clause 16	Amendment of sch 9 (Dictionary)	9
(1)	Schedule 9, definitions <i>draft decision material</i> , <i>final consultation period</i> , <i>interim consultation period</i> and <i>retail cost view</i> —	10
	<i>omit.</i>	11
		12
	<i>omit.</i>	13
(2)	Schedule 9—	14
	<i>insert</i> —	15
	‘ <i>final consultation period</i> , for chapter 10, part 1A, see section 222L(4)(c).’	16
		17
	<i>interim consultation period</i> , for chapter 10, part 1A, see section 222H(2)(b).’.	18
		19