

# Energy (Renewable Transformation and Jobs) Bill 2023

## Explanatory Notes

### FOR

## Amendments during consideration in detail moved by the Honourable Mick de Brenni MP, Minister for Energy and Clean Economy Jobs

### Short title

The short title of the Bill is the Energy (Renewable Transformation and Jobs) Bill 2023.

### Policy objectives and the reasons for them

The amendments to be moved during consideration in detail of the Energy (Renewable Transformation and Jobs) Bill 2023 (the Bill) contribute to two key policy objectives: further enshrining social licence objectives in energy legislation and facilitating the energy transformation.

#### Amendments to further enshrine social licence objectives

The Queensland Energy and Jobs Plan (the Plan) commits to transforming the State's electricity system to deliver clean, reliable, and affordable power and achieve 80% renewable energy by 2035. Achievement will require approximately 22 gigawatts of new large-scale wind and solar generation, around 2,000 kilometres of new transmission, foundational pumped hydro assets, and investment in additional storage and firming assets.

Social licence – and community partnerships – for the energy transformation will be critical to its success, and to Queensland achieving 80% renewable energy by 2035. Two amendments to the Bill will help further these objectives.

#### Social licence criteria and code of conduct

The Queensland SuperGrid Infrastructure Blueprint (the Infrastructure Blueprint) outlines the optimal infrastructure pathway to decarbonise the State's electricity system and deliver clean, reliable, and affordable power. As outlined in the Infrastructure Blueprint, around 22 gigawatts of new large-scale wind and solar will be needed to achieve 80% renewable energy, with most investment occurring in regional Queensland. This development has led to greater focus on social licence, specifically regarding the operations and behaviours of renewable energy developers.

To support greater social licence and foster community partnerships and collaboration for the energy transformation, amendments will be made to establish and define social licence criteria,

and require this criteria to be considered by the regulator when considering an application or a transfer of a generation authority or special approval.

To ensure clear guidance and expectations in relation to satisfying these criteria, the amendments will also create a head of power for the Minister to develop a code of conduct for the social licence criteria. The code of conduct must be prescribed by Regulation to come into effect, and must be reviewed after five years.

#### Renewable Energy Zones – Eligibility principles

Social licence will also be crucial to the renewable energy zone (REZ) framework which will facilitate the efficient development of transmission network infrastructure to connect new renewable generation to meet the objectives set out in the Plan.

The amendments will require that the process to identify eligible entities and projects that may connect to and access the REZ transmission network, must have regard to certain ‘eligibility principles’. The principles are social licence, developer capability, and project feasibility. This amendment will ensure that social licence considerations are embedded in the process to identify the entities and projects that can connect to a REZ.

#### **Facilitating the energy transformation**

Several additional amendments to be made during consideration in detail will further facilitate the energy transformation.

#### Ring-Fencing

Powerlink will play a key role in Queensland’s energy transformation, with responsibility for delivering new high-voltage backbone transmission under the Priority Transmission Investments framework and performing the functions of the REZ delivery body, both of which are established under the Bill. These responsibilities build on Powerlink’s existing functions as a transmission network service provider.

On 1 March 2024, the Australian Energy Regulator’s (AER) updated ring-fencing guidelines, *Ring-fencing Guideline Electricity Transmission (Version 4)* (Guidelines), became fully enforceable, imposing additional and expanded obligations on Powerlink. Full compliance with the Guidelines could divert substantial Powerlink resources and focus away from the energy transformation.

The amendments insert a targeted, temporary head of power to create Regulations that modify or disapply Powerlink’s ring-fencing obligations, enabling Powerlink to focus on the energy transformation. The policy objective of these amendments is to ensure Powerlink remains focused on delivering the Plan and playing its key, enhanced role in supporting a smooth, coordinated energy transformation, while balancing compliance with new obligations. This recognises Powerlink’s role as the State’s fully publicly owned transmission network service provider, the new targets embedded in legislation for maintaining 100 per cent public ownership of the shared network, and Powerlink’s critical role in delivering a timely energy transformation.

### Renewable Energy Zones – Authorisation of additional conduct for competition legislation

Clause 83 of the Bill authorises specific conduct by entities for the purposes of the *Competition and Consumer Act 2010* (Cwlth) and Competition Code of Queensland. An amendment will insert a Regulation-making power to allow additional conduct to be authorised to facilitate a REZ or a proposed REZ. This amendment will enable engagement and negotiations with the market to facilitate the commercial viability of REZs. A clarifying amendment will also be made, to remove any doubt, that the conduct of an entity in the development of a management plan prior to the declaration of a REZ, including the preparation of or consultation on a draft of the management plan, is authorised for the purposes of competition legislation.

### Renewable Energy Zones – Protection from liability for Powerlink as a transmission network service provider

To facilitate the commercial viability of REZs, Powerlink may undertake engagement and negotiations with the market prior to the declaration of a REZ. This may raise some civil liability risks for Powerlink, particularly in the initial stages of the transition to the new REZ framework. An amendment will therefore provide Powerlink, in its role as a transmission network service provider, with a limited protection from civil liability. This protection will only apply for acts or omissions made honestly and without negligence that facilitate a proposed REZ. This will ensure Powerlink can confidently undertake commercial engagement and negotiations during the transition to the new REZ framework.

### Application Acts – Regulation head of power

The National Energy Retail Law (NERL) establishes the regulatory framework for the sale and supply of energy (electricity and reticulated natural gas) to consumers served through the national electricity grid or gas pipelines. The National Electricity Law (NEL) establishes the governance and enforcement framework and key obligations for the national electricity market and the regulation of access to electricity networks. The *National Energy Retail Law (Queensland) Act 2014* (NERLQ Application Act) and *Electricity-National Scheme (Queensland) Act 1997* (NELQ Application Act) apply the NEL and NERL in Queensland.

While consistency with the NERL and NEL is important, during the energy transformation, it is critical the regulatory framework is appropriate and reflective of jurisdictional priorities and characteristics, including outcomes for Queensland customers. With the rapidly changing nature of the energy sector, and implementation of the Plan, the need for Queensland to have a fit-for-purpose regulatory framework is becoming more urgent.

Modifying the Regulation-making powers in the Application Acts will not of themselves limit the effect of the NERL or NEL in Queensland. It will merely give the Minister administering the Application Acts more flexibility in being able to moderate the effect of the NERL and NEL as they operate in Queensland if, and when, there is sufficient justification to do so (e.g., increase customer protection; or prevents or minimises adverse financial effect on retail customers). The clarification will also not negate, limit, or remove any requirements for proper regulatory impact assessments or the need for consultation with any potentially impacted parties.

## Achievement of policy objectives

The amendments moved during consideration in detail of the Bill achieve the policy objectives by amending the Bill as outlined below.

### Amendments to further social licence objectives

#### Social licence criteria and code of conduct

To ensure greater consideration to social licence objectives through the energy transformation, amendments will be made to the *Electricity Act 1994* to require the regulator to consider if proponents have satisfied the social licence criteria when considering an application for a generation authority, a special approval, or transfer of a special approval or generation authority. The amendments will create a definition of social licence criteria, providing clarity as to the nature of the social licence criteria that may be prescribed by Regulation. Social licence criteria, for generating plant, means criteria about the conduct or proposed conduct of persons involved in the development, building, operation and lifecycle of a generating plant relating to:

- Community and stakeholder engagement;
- Mitigating or addressing the impact of the generating plant on the affected community;
- The delivery of benefits from the generating plant to the affected community.

The amendments will also create a head of power for the Minister to develop a code of conduct for social licence criteria, which must be approved by Regulation. Compliance with the code of conduct may be prescribed as a matter the regulator must consider when deciding whether the social licence criteria are satisfied for the grant or transfer of a generation authority or for generating plant to which a special approval relates.

The code of conduct must be tabled with the Regulation approving the code of conduct and be published on the website of the department. It must be reviewed at least once every 5 years. Amendments will also include transitional arrangements for applications that have been made but not yet determined prior to commencement of the *Energy (Renewable Transformation and Jobs) Act 2024*.

#### Renewable Energy Zones – Eligibility principles

An amendment will be made to clause 42 of the Bill to insert ‘eligibility principles’. The amendment requires the process contained in a management plan used to identify entities and projects that can connect to and access the REZ transmission network must have regard to three principles:

- the new social licence criteria prescribed under the *Electricity Act 1994* which may include a code of conduct that is made by Regulation;
- the capability and performance of entities to develop projects for the REZ transmission network and connect the projects to the transmission network; and
- the feasibility of projects to be developed and connected to the REZ transmission network within an appropriate timeframe.

The amendment will ensure that social licence is considered in the process to identify the entities and projects that can connect to each REZ, alongside other key REZ objectives. It is anticipated that the social licence principle will also be consistent with any code of conduct for renewable energy developers.

## **Facilitating the energy transformation**

### Ring-fencing

To ensure Powerlink remains focused on delivering their enhanced role in Queensland's energy transformation, while balancing ring-fencing obligations, an amendment will insert a new targeted, temporary head of power to make Regulations modifying or disapplying ring-fencing obligations for Powerlink. The amendments also create an obligation on the Minister to review any Regulations made under this Regulation-making power after three years of being in force.

The amendments create a new clause that retrospectively validates specific acts and omissions by Powerlink that occurred between 1 March 2024 and the day a Regulation is made under the new head of power, provided those acts and omissions would have been deemed lawful under the new Regulation.

### Renewable Energy Zone – Authorisation of additional conduct for competition legislation

Amendments will be made to clause 83 of the Bill to both:

- insert a Regulation-making head of power to authorise additional conduct for the purposes of competition legislation to facilitate: a REZ or a proposed REZ; the development of the REZ transmission network, the operation of the REZ transmission network or REZ controlled assets, or arrangements for connection and access to the REZ transmission network or REZ controlled assets for a REZ or a proposed REZ; and
- clarify that the conduct of an entity in developing a management plan prior to the declaration of a REZ, including preparing and consulting on a draft of the management plan, is authorised for the purposes of competition legislation.

### Protection from liability for Powerlink as a transmission network service provider

To enable Powerlink to undertake engagement and negotiations with entities that will facilitate the commercial viability of REZs, an amendment will be made to insert a new clause to provide Powerlink, in its capacity as a transmission network service provider, with a limited protection from liability. This protection will only apply for acts or omissions made honestly and without negligence that facilitate a proposed REZ; or the development or operation of the proposed REZ transmission network or REZ controlled assets, or arrangements for connection and access to the proposed REZ transmission network or REZ controlled assets for a proposed REZ. Any liability that may arise from Powerlink's action will rather attach to the State. This protection will only apply to acts or omissions within two years from when the Act receives assent or until the REZ is declared, whichever happens first.

### Application Acts - Regulation head of power

New clauses will amend the Regulation-making powers in the NERLQ Application Act and NELQ Application Act. This will allow Regulations under these powers to modify the effect of the NEL and NERL as they apply in Queensland.

## **Alternative ways of achieving policy objectives**

There are no alternative ways for achieving these policy objectives.

## Estimated cost for government implementation

There are no additional costs to government in implementing the amendments.

## Consistency with fundamental legislative principles

The amendments moved during consideration in detail of the Bill have been drafted having regard to the fundamental legislative principles (FLPs) in the *Legislative Standards Act 1992*. The principles include requiring that legislation has sufficient regard to—

- rights and liberties of individuals; and
- the institution of Parliament.

Potential breaches are addressed below.

### **Rights and liberties of individuals**

#### ***Consistency with rights and liberties – adversely affecting rights and liberties***

##### **Protection from liability for Powerlink as a transmission network service provider**

The *Legislative Standards Act 1992* states that whether legislation has sufficient regard to the rights and liberties of individuals depends on whether the legislation does not confer immunity from proceeding or prosecution without adequate justification.

The amendment to the Bill to insert new clause 179A that provides limited protection from civil liability for Powerlink, in its capacity as a transmission network service provider, may impact the rights and liberties of an individual. However, this is considered justified on the basis that liability is not extinguished but rather attaches to the State instead, ensuring remedies remain available. The immunity is also limited in scope as it:

- is limited to specific matters that facilitate a proposed REZ, the proposed REZ transmission network or the proposed REZ controlled assets;
- does not attach to dishonest or negligent acts or omissions; and
- is subject to a two-year expiry date from the earlier of the following: two years from the time the Act receives assent, or the REZ is declared.

#### ***Consistency with rights and liberties – retrospectivity***

##### **Protection from liability for Powerlink as a transmission network service provider**

The *Legislative Standards Act 1992* states that whether legislation has sufficient regard to the rights and liberties of individuals depends on whether the legislation does not adversely affect rights and liberties, or impose obligations, retrospectively.

The amendment to the Bill to insert new clause 179A that provides for limited protection from civil liability for Powerlink, in its capacity as a transmission network service provider, may impact rights and liberties or impose obligations retrospectively. The immunity has a limited retrospective application for the period between when this clause commences, and when the Act receives assent. However, the provision will be included in the Act from assent and there is no risk that a person will be unaware of its effect before the retrospective clause commences.

## **Institution of Parliament**

### ***Delegation of legislative power***

The *Legislative Standards Act 1992* provides that whether legislation has sufficient regard to the institution of Parliament depends on whether the legislation allows the delegation of legislative power only in appropriate cases and to appropriate persons.

### **Ring-fencing**

The ring-fencing amendments will insert a targeted, temporary head of power to make Regulations modifying or disapplying ring-fencing obligations for Powerlink. This provision may infringe on this FLP, because it delegates legislative power to a Regulation.

Any potential infringement is justified, as it is necessary for any modified or disapplied ring-fencing provisions to be placed in Regulations rather than the primary legislation. This is necessary because the National Electricity Rules, including its ring-fencing obligations, are frequently updated. Enabling the derogations to take place via Regulation ensures the Regulations can be efficiently updated in line with any modifications at the national level. This approach (i.e., enabling derogations to occur via Regulation) is consistent with other provisions in the Bill and is considered an appropriate delegation of power.

### **Code of conduct**

The amendments to the *Electricity Act 1994* create a requirement for the regulator to be satisfied social licence criteria have been met in the consideration of an application for, or transfer of, a generation authority or special approval. A Regulation may be made prescribing the matters the regulator must consider in deciding if the social licence criteria have been satisfied. This delegation of legislative power to a Regulation may infringe on this FLP.

Any potential infringement is justified as the matters prescribed by Regulation will need to remain fit-for-purpose through the energy transformation, adapting in response to community/stakeholder concerns, developer behaviour and to reflect leading practice for engagement, mitigating community impacts, and delivering community benefits.

### **Renewable Energy Zones – Authorisation for competition legislation**

The amendments to clause 83 insert a Regulation-making power to prescribe additional conduct to be authorised for the purposes of the *Competition and Consumer Act 2010* (Cwlth) and the Competition Code of Queensland. This delegation of legislative power may infringe on the FLP requiring legislation to have sufficient regard to the institution of Parliament. However, the delegation of legislative power is considered justified as it is necessary to ensure the competition authorisations are fit-for-purpose given the technical and complex nature of the conduct to be authorised. As the additional conduct is to be prescribed by a Regulation, it will be tabled in Parliament according to the requirements in the *Statutory Instruments Act 1992*, thereby subjecting the exercise of this delegated power to the scrutiny of Parliament.

### **Application Acts – Regulation head of power**

The amendments associated with broadening the Regulation-making powers of the NERLQ and NELQ Application Acts may infringe this FLP.

Any infringement upon this FLP has been addressed by retaining “the inclusion of a requirement to clearly demonstrate that the contents of a modification Regulation under both Application Acts will either benefit or ameliorate any adverse financial impacts of the legislation, rules or regulation, or other instrument in force on certain customers.

## **Consultation**

The ring-fencing amendments underwent targeted consultation with Powerlink and the Australian Energy Regulator.

Consultation with Powerlink also occurred on the amendments that authorise additional conduct for competition legislation and on the protection from liability for Powerlink in its capacity as the transmission network service provider.

Targeted consultation with peak bodies in the energy sector occurred on the head of power for a code of conduct for renewable energy developers, and extensive consultation is planned for development of the code.

## **Consistency with legislation of other jurisdictions**

### **Renewable Energy Zones**

The Queensland REZ framework provided for by Part 6 of the Bill is similar to the reforms created by the New South Wales Parliament through the *Electricity Infrastructure Investment Act 2020* (NSW). The New South Wales Act provides both a competition authorisation for certain conduct (including a Regulation-making power to authorise additional conduct), and also provides a protection from liability to certain persons.

### **Ring-fencing**

The ring-fencing amendments create a Regulation-making power enabling Regulations to derogate from the ring-fencing obligations applying to Powerlink under the National Electricity Rules. The Regulation-making power in itself does not create an inconsistency; however, any Regulations made under this amendment may create inconsistencies with application of the National Electricity Rules to other National Electricity Market participants.

### **Application Acts – Regulation head of power**

The amendments to the NEL and the NERL Regulation-making powers will not in themselves create any inconsistency with the legislation of other jurisdictions (i.e., the NEL and the NERL). However, subsequent Regulations made under these Regulation-making powers may include derogations from the NEL and the NERL.



## Notes on provisions

*Amendment 1* amends clause 42 of the Bill to make a consequential amendment to insert new numbering to create subclause (1).

*Amendment 2* amends clause 42(b)(iv) of the Bill to omit the wording which explains that the process to identify entities and projects that may connect to the REZ transmission network, may include stated criteria that the entity must satisfy. The reference to the process being able to include stated criteria has been relocated to new clause 42(2)(b).

*Amendment 3* amends the Bill by inserting new subclause (2) into clause 42.

New clause 42(2) provides that the process mentioned in section 42(1)(b)(iv) to be used to identify entities that may connect to and access the REZ transmission network and the projects in relation to which the connection and access may be granted, must have regard to specific matters. The matters that the process must have regard to are the social licence criteria prescribed under new section 180(2)(f) of the *Electricity Act 1994*; the capability and performance of entities to develop projects for the REZ transmission network and connect the projects to the transmission network; and the feasibility of projects to be developed and connected to the REZ transmission network within an appropriate timeframe.

Clause 42(2) also provides that the process to identify entities and projects that may connect to and access the transmission network, may include stated criteria that must be satisfied for connection and access to the REZ transmission network. An example of this criteria is that an entity may connect to and access the REZ transmission network only if the social licence criteria prescribed under new section 180(2)(f) of the *Electricity Act 1994*, are satisfied.

*Amendment 4* amends clause 45(2)(b) of the Bill by replacing the reference to section 42(b)(iv) with a reference to section 42(1)(b)(iv), to make a consequential change to numbering.

*Amendment 5* amends the definition of ‘eligible entity’ in clause 53 of the Bill by replacing the reference to section 42(b)(iv) with a reference to section 42(1)(b)(iv), to make a consequential change to numbering.

*Amendment 6* amends the definition of ‘eligible project’ in clause 53 of the Bill by replacing the reference to section 42(b)(iv) with a reference to section 42(1)(b)(iv), to make a consequential change to numbering.

*Amendment 7* amends clause 54(2)(c) of the Bill by replacing the reference to section 42(b)(v) with a reference to section 42(1)(b)(v), to make a consequential change to numbering.

*Amendment 8* amends clause 54(3)(a) of the Bill by replacing the reference to section 42(b)(i) with a reference to section 42(1)(b)(i), to make a consequential change to numbering.

*Amendment 9* amends clause 54(5) of the Bill by replacing the reference to section 42(c) with a reference to section 42(1)(c), to make a consequential change to numbering.

*Amendment 10* amends clause 59(2) of the Bill by replacing the reference to section 42(b)(v) with a reference to section 42(1)(b)(v), to make a consequential change to numbering.

*Amendment 11* amends clause 59(3) of the Bill by replacing the reference to section 42(b)(v) with a reference to section 42(1)(b)(v) to make a consequential change to numbering.

*Amendment 12* amends clause 83(1)(a) of the Bill. Clause 83 of the Bill authorises specific conduct by entities for the purposes of the *Competition and Consumer Act 2010 (Cwlth)*, section 51(1)(b) and the Competition Code of Queensland. Section 51(1)(b) of the *Competition and Consumer Act 2010 (Cwlth)* provides that where certain specified things done in a State are authorised by an Act passed by the Parliament of that State, or contained in a Regulation made under that Act, those things are to be disregarded in a decision as to whether a person has contravened Part IIIA of the *Competition and Consumer Act 2010 (Cwlth)*.

The amendment to clause 83(1)(a) provides that the conduct of an entity in the development of a management plan for a REZ includes conduct of an entity relating to the preparation of, or consultation on, a draft of the management plan. This amendment clarifies that the conduct that is authorised for the purposes of competition legislation includes the conduct of an entity in the development of a management plan for a REZ that occurs before the REZ is declared, for example, the preparation of a draft management plan.

*Amendment 13* inserts new paragraph (d) in clause 83(1). The amendment provides that a Regulation may prescribe that conduct of an entity is specifically authorised for the purposes of the *Competition and Consumer Act 2010 (Cwlth)*, section 51(1)(b) and the Competition Code of Queensland.

Specifically, a Regulation may authorise the conduct of an entity that is necessary or incidental to facilitate a part of Queensland to be declared to be a REZ, even if the part is not ultimately declared to be a REZ (a proposed REZ). A Regulation may also authorise conduct that is necessary or incidental to facilitate the development of a transmission network to be the REZ transmission network for a REZ or a proposed REZ; or the operation of the REZ transmission network or REZ controlled assets for a REZ or a proposed REZ; or arrangements for connection and access to the REZ transmission network or REZ controlled assets for a REZ or a proposed REZ, including the transition of arrangements under the national electricity laws to arrangements under Part 6 of the Bill.

*Amendment 14* amends the Bill by inserting new Division 1 into Part 11 of the Bill and providing that the remaining provisions of Part 11 fall under new Division 2. This Division inserts four new clauses, 170A, 170B, 170C, and 170D, into the Bill.

New clause 170A will insert a new Regulation-making power in the Bill, which will enable a Regulation to derogate from the National Electricity Rules' ring-fencing obligations in respect of Powerlink. It provides that the transmission ring-fencing rule (defined to mean rule 6A.21 of the National Electricity Rules and the transmission ring-fencing guidelines made under that rule) and other provisions of the national electricity laws, are subject to a Regulation made under this provision. The clause specifies that a Regulation made under this provision may provide for the application of the transmission ring-fencing rule to Powerlink. For this purpose, the Regulation may also provide that the transmission ring-fencing rule does not apply to Powerlink, or applies with modifications, and state how other provisions of the National Electricity Rules apply in relation to a matter (having regard to the derogations made by the Regulation).

Without limiting the Regulation's power to state how other provisions of the National Electricity Rules apply in relation to a matter, the Regulation may provide that a stated

requirement of the transmission ring-fencing rule does not apply to Powerlink, and another requirement applies in its place. An example of when this may take place is provided.

New clause 170A also provides that the Minister may only recommend to the Governor in Council the making of Regulations if the Minister is satisfied, they are necessary to achieve the main purposes identified in section 3(a) or (b) of the *Energy (Renewable Transformation and Jobs) Act 2024* by enabling Powerlink to comply with this Act.

Clause 170B provides that acts and omissions by Powerlink that occur between 1 March 2024 and the day a regulation is made under section 170A are, for the national electricity laws, declared to be (and to have always been) valid. However, this applies only where the act or omission, would, if it has occurred after the day a regulation is made under section 170A, have been valid and lawful under the national electricity laws. The date, 1 March 2024, refers to the date the Australian Energy Regulator's *Ring-fencing Guideline Electricity Transmission (Version 4)* became fully enforceable.

New clause 170C requires the Minister to conduct a review the operation of the Regulations within three years of being made. The Minister must consult with Powerlink and the Australian Energy Regulator in conducting this review and consider whether the Regulations continue to be necessary to achieve the main purposes contained in section 3(a) or (b) of the *Energy (Renewable Transformation and Jobs) Act 2024* by enabling Powerlink to comply with the Act. To remove any doubt, new clause 170C declares that the new clause does not prevent the Minister from reviewing the operation of the Regulation at any time.

Clause 170D provides that Division 1 (as inserted by amendment 14) will expire on 31 December 2035. This date is consistent with the timeframes for achieving the target of 80% renewable energy by 2035.

*Amendment 15* makes a minor consequential amendment to clause 171, renaming 'part' to 'division', to reflect the amendments made to insert new Division 1 of Part 11.

*Amendment 16* makes a minor consequential amendment to clause 171, renaming 'part' to 'division', to reflect the amendments made to insert new Division 1 of Part 11.

*Amendment 17* inserts new clause 179A into Part 12 (Transitional provisions) of the Bill. The clause provides that Powerlink is not civilly liable for an act done, or omission made, honestly and without negligence, that is necessary or incidental to facilitate:

- a part of Queensland to be declared to be a REZ, even if the part is not ultimately declared to be a REZ (a proposed REZ);
- the development of a transmission network to be the REZ transmission network for a proposed REZ (the proposed REZ transmission network);
- the operation of the proposed REZ transmission network or transmission assets that are to be REZ controlled assets for a proposed REZ (the proposed REZ controlled assets); or
- arrangements for connection and access to the proposed REZ transmission network or proposed REZ controlled assets for a proposed REZ, including the transition of arrangements under the national electricity laws to arrangements under Part 6 of the Bill.

In the event this clause prevents a civil liability attaching to Powerlink, the liability attaches instead to the State.

This clause is limited and applies to acts done, or omissions made, by Powerlink in relation to a proposed REZ, only in its capacity as a transmission network service provider under the National Electricity Rules. The clause is also transitional in nature and only applies to acts done, or omissions made, by Powerlink during the period starting when this Act receives assent and ending when the first of the following occurs, either: the proposed REZ is declared to be a REZ, or the end of 2 years after the Act receives assent. After this period, civil liability attaches to Powerlink.

This clause applies to acts done, or omissions made, by Powerlink during this period as if the relevant provisions – being both this clause, and other provisions of the Act relevant to the operation of this clause – had commenced on the day this Act received assent.

*Amendment 18* amends the Bill by inserting new clauses of 184A, 184B, 184C, 184D, 184E and 184F to amend the *Electricity Act 1994*, including inserting a new Part 19 in Chapter 14.

Clause 184A amends section 180 of the *Electricity Act 1994* by inserting:

- section 180(2)(f) to include social licence criteria prescribed by Regulation as a matter that the regulator must consider to be satisfied before issuing a generation authority;
- section 180(4A) to specify that a Regulation may prescribe matters the regulator must consider in deciding whether social licence criteria has been met (including, for example, whether the code of conduct under new section 180A has been complied with);
- section 180(8) to define social licence criteria for generating plant to mean criteria about the conduct (or proposed conduct) of anyone involved in the development, building or operation of the generating plant relating to:
  - community and stakeholder engagement for the development, building or operation of the generating plant; or
  - mitigating or addressing the impact of the development, building, or operation of the generating plant on a community affected by the development, building or operation of the generating plant; or
  - the delivery of benefits of the development, building or operation of the generating plant to a community affected by the development, building or operation of the generating plant.
- rennumbers section 180(4A) to (8) to section 180(5) to (9).

New clause 184B inserts new section 180A of the *Electricity Act 1994*. This new clause will enable the Minister to make a code of conduct for persons involved in the development, building or operation of a generating plant for the purposes of the social licence criteria prescribed under section 180(2)(f) (as inserted by this amendment).

The code of conduct (or an amendment to the code of conduct) must be approved by Regulation. The Minister must table a copy of a code of conduct (or amendment) with the approving Regulation. The code of conduct or amendment take effect on the day the approving Regulation commences or, if the code or amendment states a later date, the later date applies. The Minister must publish a code of conduct on the department's website and make the code of conduct publicly available in other ways considered appropriate.

If the code of conduct is inconsistent with a Regulation, the Regulation prevails to the extent of the inconsistency.

The Minister is required to review the code of conduct at least once every 5 years.

Clause 184C amends section 184B of the *Electricity Act 1994* by inserting:

- section 184B(2)(d) to include social licence criteria prescribed by Regulation under section 184(2)(f) as a matter that the regulator must consider to be satisfied before approving a transfer application for a generation authority.
- section 184B(4) to specify that a Regulation may prescribe matters the regulator must consider in deciding whether social licence criteria has been met for a transfer application.

Clause 184D amends section 210(2) of the *Electricity Act 1994* for the consideration of an application for special approval to renumber references to sections 180(2) to (7) of the *Electricity Act 1994* to section 180(2) to (9) of the *Electricity Act 1994*. This amendment ensures the social licence criteria are considered as part of an application for a special approval, to the extent it relates to a generating plant.

Clause 184E amends section 212B of the *Electricity Act 1994* to insert a requirement that the regulator may only transfer the special approval if relevant to the activities carried out under the special approval, the social licence criteria prescribed by Regulation (under the new section 180(2)(f)) are satisfied for the generating plant to which the approval relates.

When the regulator is deciding whether the social licence criteria, prescribed by Regulation under section 180(2)(f), have been satisfied, the regulator must consider any matters prescribed under section 180(5) of the *Electricity Act 1994*.

Clause 184F inserts into the *Electricity Act 1994* a new Part 19 in Chapter 14, which is a transitional provision for the *Energy (Renewable Transformation and Jobs) Act 2024*. This transitional provision specifies that for applications relating to the issue or transfer of a generating authority, or the issue or transfer of a special approval that are made but not decided prior to the commencement of the *Energy (Renewable Transformation and Jobs) Act 2024*, the social licence criteria does not apply. The applications must be decided as if the *Energy (Renewable Transformation and Jobs) Act 2024* had not been enacted.

*Amendment 19* inserts 186A.

Clause 186A inserts a new section 12A of the *Electricity—National Scheme (Queensland) Act 1997* to include the ability for the Governor-in-Council to make a ‘modification regulation’ to modify the effect of the National Electricity Law (and its associated rules and regulations) as they apply in Queensland. These modifications can include modifications that will ensure Queensland customers are not disadvantaged or negatively impacted (e.g., financially), for example, due to where they live or their financial situation.

*Amendment 20* inserts 187A.

Clause 187A amends section 12 of the *National Energy Retail Law (Queensland) Act 2014* to remove redundant limitations to the operation of section 12 and to provide clarification on what can constitute ‘necessary and convenient changes for giving effect to the operation of the Regulations or Rules in Queensland’. The amendment will clarify that ‘necessary and convenient changes’ can include modifications that will ensure Queensland customers are not disadvantaged or negatively impacted (e.g., financially), for example, due to where they live or their financial situation.

*Amendment 21* makes a minor consequential amendment to the definition of official, as a result of the amendments to be inserted by amendment 14.

*Amendment 22* amends the definition of ‘transmission asset’ in schedule 1, which provides the dictionary for the Bill, to omit the reference ‘for part 6’. This amendment means, for the purpose of the Bill, including new clause 179A, a transmission asset has the meaning given by the National Electricity Rules.