

Electricity Amendment Regulation (No. 1) 2014

Explanatory notes for SL 2014 No. 118

made under the

Electricity Act 1994

General Outline

Short title

Electricity Amendment Regulation (No. 1) 2014

Authorising law

Sections 55GA and 263 of the *Electricity Act 1994*.

Policy objectives and the reasons for them

The objective of the amendment is to continue the Government's commitment to displaying carbon and 'green scheme' costs on household power bills by prescribing a statement about those costs, the *carbon and renewable energy target cost statement*, that must be included in electricity bills for residential customers. The aim of this greater transparency is to help household consumers more easily understand the impact of the carbon price and the renewable energy target (RET) scheme on their electricity costs for the 2014 – 2015 financial year and to promote greater awareness of the costs underlying electricity retail pricing.

Achievement of policy objectives

The amendment will replace the *carbon and renewable energy target cost statement* for the 2013 – 2014 financial year with a statement for the 2014 – 2015 financial year. This meets the policy objective of helping household consumers more easily understand the impact of the carbon price and RET on their electricity costs and promoting greater awareness of the costs underlying electricity retail pricing.

Consistency with policy objectives of authorising law

Amendment of the *Electricity Regulation 2006* in relation to the *carbon and renewable energy target cost statement* is consistent with the *Electricity Act 1994* (Electricity Act), one object of which is to ensure the interests of customers are protected.

Inconsistency with policy objectives of other legislation

The amendment is not inconsistent with the policy objectives of other legislation.

Alternative ways of achieving policy objectives

There is no alternative way of achieving the policy objectives.

Section 55GA of the Electricity Act makes it a condition of a retail authority under that Act that a retailer will include in its bills to residential customers a *carbon and renewable energy target cost statement*. This will be prescribed in a regulation and will consist of the Queensland Competition Authority's (QCA) estimate of carbon price and RET scheme costs for a financial year starting on or after 1 July 2013. Accordingly, there is a clear need for a regulation prescribing a *carbon and renewable energy target cost statement* for the financial year starting on 1 July 2014.

Benefits and costs of implementation

There is no direct cost to the Queensland Government with regard to implementing the amendment. Costs to retailers will be the once-only incremental cost of updating the customer consumption and cost estimate figures in the statement they are already required to display on residential customers' bills. Implementing the amendment will benefit household consumers by providing greater awareness of the costs underlying electricity retail pricing.

Consistency with fundamental legislative principles

The amendment is consistent with fundamental legislative principles.

Consultation

The QCA and the Office of Best Practice Regulation were consulted in regards to the making of this amendment.