

Electricity Competition and Protection Legislation Amendment (Postponement) Regulation 2015

Explanatory notes for SL 2015 No. 33

made under the

*Electricity Competition and Protection Legislation Amendment
Act 2014*

General Outline

Short title

*Electricity Competition and Protection Legislation Amendment (Postponement)
Regulation 2015*

Authorising law

Section 15DA of the *Acts Interpretation Act 1954* (AIA)
Section 2 of the *Electricity Competition and Protection Legislation Amendment Act 2014*
(the Act)

Policy objectives and the reasons for them

The objective of the *Electricity Competition and Protection Legislation Amendment (Postponement) Regulation 2015* (Postponement Regulation) is to extend the pre-commencement period for the Act to the end of 30 June 2016. This will allow any deferred provisions of the Act to commence on 1 July 2016.

The Act was passed on 10 September 2014 and received assent on 26 September 2014. The provisions of the Act, other than section 31, were deferred for commencement by Proclamation. On 18 December 2014, a commencement date of 1 July 2015 was fixed for the provisions of the Act that were not in force.

On 28 April 2015, the Queensland Government announced its decision to delay the commencement of retail electricity price deregulation in South East Queensland (SEQ) for 12 months until 1 July 2016, to allow the Queensland Productivity Commission to investigate and report on deregulation as part of its public inquiry into electricity prices.

To give effect to this decision, it will be necessary to delay the commencement of sections 44, 45 and 50 of the Act until 1 July 2016. This will be achieved via proclamation.

Delaying the commencement of price deregulation also has an unintended impact on the legislative approach to the payment of the regulated solar feed-in tariff (FiT) in Queensland. To preserve the current approach to the FiT, the commencement of certain parts of sections 29A, 50A and 97 of the Act will be deferred.

However, in order to delay commencement of the proposed provisions beyond one year after the Act was assented, a postponement regulation is required, in accordance with section 15DA of the AIA.

Achievement of policy objectives

The Postponement Regulation extends the automatic commencement date of the Act to the end of 30 June 2016. This will allow any deferred provisions to commence on 1 July 2016.

A commencement date of 1 July 2015 will be fixed for all provisions of the Act except those related to retail electricity price deregulation and the preservation of the current approach to the payment of the regulated solar FiT.

Consistency with policy objectives of authorising law

The Postponement Regulation is not inconsistent with the policy objectives of the Act to:

- amend the *Electricity Act 1994* to remove retail price regulation in SEQ and establish an effective market monitoring regime; and
- remove or amend provisions of existing Queensland energy legislation to avoid duplication upon commencement of the *National Energy Retail Law (Queensland) Act 2014* and to ensure that the remaining provisions continue to operate effectively.

The Act provides for commencement of the Act, other than section 31, on a date to be fixed by proclamation.

Inconsistency with policy objectives of other legislation

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

Alternative ways of achieving policy objectives

Section 2 of the Act provides for commencement of the Act, other than section 31, on a date to be fixed by proclamation. There are no alternate means to achieve the policy objectives effectively.

Benefits and costs of implementation

There will be no new or additional costs to Government due to the postponement of these provisions of the Act.

Consistency with fundamental legislative principles

The Postponement Regulation has been drafted having regard to the Fundamental Legislative Principles outlined in the *Legislative Standards Act 1992*.

Consultation

The Office of the Queensland Parliamentary Counsel was consulted on the approach to fixing the commencement date of the Act.

No consultation has been undertaken with the community or industry stakeholders in relation to the Postponement Regulation as it is machinery in nature.

Consultation has occurred with the Office of Best Practice Regulation (OBPR) in the Queensland Competition Authority. The OBPR has advised a Regulatory Impact Statement is not required.