

# **Rural and Regional Adjustment (Battery Booster Rebate Scheme) Amendment Regulation 2023**

Explanatory Notes for SL 2023 No. 182

made under the

*Rural and Regional Adjustment Act 1994*

## **General Outline**

### **Short title**

*Rural and Regional Adjustment (Battery Booster Rebate Scheme) Amendment Regulation 2023*

### **Authorising law**

Sections 3, 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994* (the Act)

### **Policy objectives and the reasons for them**

The objectives of the Rural and Regional Adjustment (Battery Booster Rebate Scheme) Amendment Regulation 2023 (the Amendment Regulation) are to establish the Battery Booster Rebate Scheme (the Scheme), providing financial support and incentive to domestic residential households in moving towards renewable energy by offsetting the upfront cost of purchasing and installing a residential solar battery.

On 28 September 2022, the Premier and Minister for the Olympic and Paralympic Games announced the Queensland Energy and Jobs Plan (the Plan). The Plan outlines how Queensland's energy system will transform to ensure the continued delivery of clean, reliable, and affordable power for generations, with a target of 70% Renewable Energy by 2032 and 80% by 2035. The Plan includes investment to deliver affordable energy for households and businesses and support more rooftop solar and batteries.

Collectively, the energy produced by Queensland rooftops is already the largest renewable generator in the state. Queensland aims to capitalise on this vast solar potential. Rooftop solar, battery storage and new devices like electric vehicles can all play a role in keeping electricity affordable and improving outcomes in the energy system for everyone.

The Queensland Government recognises that electricity costs are a key pressure for Queenslanders and is committed to doing more to help households manage their energy use and bills. Access to affordable electricity is essential to ease cost-of-living pressures for Queensland households and businesses.

The upfront cost of a battery system in Queensland is upwards of \$9,000 and is still considered uneconomic for most consumers with payback periods extending past expected shelf life or warranties. While solar costs have come down considerably over the last decade, access to capital to purchase a solar battery remains a barrier for lower income households.

The Scheme aims to address the cost barrier to adoption of solar technology in domestic residential households by providing up to a \$4,000 rebate for eligible households to purchase and have installed batteries for use with a solar PV system.

## **Achievement of policy objectives**

The policy objective will be achieved by amending the approved assistance scheme in Schedule 44 of the *Rural and Regional Adjustment Regulation 2011* under the Act. This enables the Queensland Rural and Industry Development Authority (QRIDA) to administer the Scheme, as QRIDA can only provide financial assistance under an approved assistance scheme prescribed by regulation under the Act.

QRIDA will be able to provide financial assistance to successful applicants in the form of an assistance payment. The payment will be made to support domestic residential homeowners to purchase and install batteries. This will contribute to homeowners moving toward sustainable and affordable energy solutions as well as incentivising participation in the emerging smart energy grid further offsetting the cost of energy as well as contributing towards Queensland's emission reduction targets.

## **Consistency with policy objectives of authorising law**

The Amendment Regulation is consistent with the policy objectives of the Act. The Act establishes QRIDA primarily to administer assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland.

QRIDA may also support the State's economy by administering approved assistance schemes to assist primary producers, small business, and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

## **Inconsistency with policy objectives of other legislation**

This Amendment Regulation is not inconsistent with the policy objectives of any other legislation.

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

An alternative way to achieve the policy objective would be to have an entity other than QRIDA provide the assistance. However, QRIDA was established to provide assistance and support to the State's economy and has significant experience and expertise in administering grants funding. Given QRIDA's established expertise, QRIDA is the most appropriate entity to administer the Scheme.

## **Benefits and costs of implementation**

The Scheme is an initiative implemented as part of the Queensland Energy and Jobs Plan, with the objective to assist households to better manage their electricity use and bills. The Queensland and Australian Governments have allocated a budget of \$12 million over two years (2023-2025) to the Scheme. This funding pool is expected to provide payment for up to 4,000 households, depending on the rate and extent of applicant uptake.

The scheme is expected to contribute towards a reduction in energy costs for applicants over the lifetime of the batteries both directly and through providing opportunity to participate in the energy market under a virtual power plant agreement.

The financial assistance will be administered by QRIDA under an approved assistance scheme. QRIDA has extensive experience in administering grant, loan, rebate, and payment schemes for the government and is well placed to administer the Scheme. While there are administrative costs incurred in QRIDA delivering the Scheme, these costs are outweighed by the benefit of QRIDA's experience in delivering similar schemes.

## **Consistency with fundamental legislative principles**

The subordinate legislation is generally consistent with fundamental legislative principles. Potential breaches of fundamental legislative principles are addressed below.

### **Legislation should have sufficient regard to the institution of Parliament - Legislative Standards Act 1992, section 4(2)(b)**

Section 3 (Definitions for schedule)

The definition of 'approved installer' provides that the Department of Energy and Public Works (DEPW) may approve and list approved installers for the purpose of the scheme without parliamentary overview, and potentially breaches the principle that Legislation should have sufficient regard to the institution of Parliament.

### **Legislation should allow the subdelegation of a power delegated by an Act only in appropriate cases and to appropriate persons, and if authorised by an Act - Legislative Standards Act 1992, section 4(5)(e)**

Section 3 (Definitions for schedule)

The definition of 'approved installer' provides that the DEPW may approve and list approved installers for the purpose of the scheme without amending the Regulation through the normal legislative process and potentially breaches the principle that Legislation should allow the subdelegation of a power delegated by an Act only in appropriate cases and to appropriate persons, and if authorised by an Act.

The potential breach to s4(2)(b) and s4(5)(e) of the *Legislative Standards Act 1992* are justified, as the list of approved installers is intended to ensure the safety of consumers who are participating in the scheme by providing that each approved installer has relevant and up-to-date credentials for the installation of battery energy storage systems. Due to the technical nature of the credentials required, and the ongoing administration of the list for the purpose of the scheme causing frequent minor updates, it is not considered suitable for inclusion in the Regulation.

The danger posed by incorrect installation of a battery energy storage system can be to the health and safety of consumers, as well as the safety of their property, as incorrect installation may result in fires, or electrical malfunction in residential homes. Administration of the list and the ability to validate the credentials of installers who are carrying out installations for applicants is intended to provide protection to the life and property of individuals who are receiving assistance.

## Consultation

Extensive consultation has been undertaken by DEPW through direct engagement with industry stakeholders, peak bodies, and interjurisdictional agencies.

In September 2023, detailed feedback was collected through a consultation paper. The consultation paper focused on installation standards, training and accreditation requirements for installers, eligible systems for the program, knowledge and awareness of dynamic connections, the potential role of the inspectorate and public education requirements, in addition to general feedback on development of the scheme.

During consultation, industry was supportive of the proposed scheme design and safety measures, however stated concerns regarding the mandate for dynamic connections, due to lack of industry readiness. The scheme design was amended following the consultation and feedback incorporated in the final design.

The Department of Agriculture and Fisheries (DAF) consulted the Office of Best Practice Regulation (OBPR) on the legislative impact analysis. DAF concluded that the proposal does not increase costs or regulatory burden and does not require further regulatory impact analysis.