



New South Wales

Electricity Supply (General) Amendment (Renewable Energy Sources) Regulation 2006

under the

Electricity Supply Act 1995

Her Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Electricity Supply Act 1995*.

JOSEPH TRIPODI, M.P.,
Minister for Energy

Explanatory note

The object of this Regulation is to require retail suppliers of electricity to make offers to certain small retail customers that the equivalent of a minimum of 10 per cent of electricity supplied to the customer will be obtained from accredited renewable energy sources. The targeted customers are small retail customers who own or occupy residential premises and who enter into new customer supply contracts, either with their existing supplier or with another supplier. These customers are referred to as ***new or moving customers***.

The Regulation is made in response to a government commitment in the NSW Greenhouse Plan.

The Regulation inserts a new Division 3 into Part 4 of the *Electricity Supply (General) Regulation 2001*. The new Division includes:

- (a) a provision imposing a condition on a supplier's licence that the supplier must make an offer to a potential new or moving customer that the equivalent of a minimum of 10 per cent of electricity supplied to the customer will be obtained from accredited renewable energy sources, and
- (b) ancillary provisions, including provisions for the following:
 - (i) the approval and administration of renewable energy sources accreditation schemes to which suppliers must belong,
 - (ii) the revocation by a customer of acceptance of a renewable energy sources offer (but, in the case of a negotiated customer supply contract, only if the contract provides for revocation).

This Regulation is made under the *Electricity Supply Act 1995*, including section 106 (the general regulation-making power) and clause 6 of Schedule 2.

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Clause 1 Electricity Supply (General) Amendment (Renewable Energy Sources)
Regulation 2006

Electricity Supply (General) Amendment (Renewable Energy Sources) Regulation 2006

under the

Electricity Supply Act 1995

1 Name of Regulation

This Regulation is the *Electricity Supply (General) Amendment (Renewable Energy Sources) Regulation 2006*.

2 Commencement

This Regulation commences on 15 January 2007.

3 Amendment of Electricity Supply (General) Regulation 2001

The *Electricity Supply (General) Regulation 2001* is amended as set out in Schedule 1.

Schedule 1 Amendments

(Clause 3)

Part 4, Division 3

Insert after Division 2 of Part 4:

Division 3 Renewable energy sources—licence condition for suppliers

45A Definitions

In this Division:

accreditation scheme means a renewable energy sources accreditation scheme referred to in clause 45D.

accredited renewable energy source means an energy source accredited under an approved accreditation scheme.

approved means approved by the Minister under clause 45D.

new or moving customer of a supplier means a small retail customer who owns or occupies residential premises and who enters into a new customer supply contract in respect of the premises with the supplier (whether or not the supplier was the customer's existing supplier).

potential new or moving customer or *potential customer* of a supplier means a person to whom the supplier offers to supply electricity and who would, if the offer is accepted, be a new or moving customer.

renewable energy sources term of a customer supply contract means a term of the contract under which the customer agrees to be supplied with electricity on the basis of a renewable energy sources offer referred to in clause 45B.

45B Licence condition regarding accredited renewable energy sources

- (1) It is a condition of the licence of a supplier who supplies or offers to supply electricity to residential premises that the supplier must:
 - (a) make an offer to each potential new or moving customer of the supplier to the effect that the equivalent of a minimum of 10 per cent of the electricity supplied to the potential customer will be obtained from accredited renewable energy sources (this offer being referred to in this Division as a *renewable energy sources offer*), and

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- (b) ensure that each renewable energy sources offer:
 - (i) includes a statement as to whether the contract under which the electricity is to be supplied is a standard form customer supply contract or a negotiated customer supply contract, and
 - (ii) includes a statement of the tariffs and charges on the basis of which electricity from accredited renewable energy sources will be supplied under a renewable energy sources term in the contract if the potential customer accepts the offer, and
 - (c) be a member of, and comply with the requirements of, an approved accreditation scheme.
- (2) The Minister may exempt a supplier from the requirements of subclause (1) (c) for any period in respect of which the supplier satisfies the Minister that it is not practicable for the supplier to be a member of an approved accreditation scheme for reasons that are beyond the control of the supplier.
 - (3) The licence condition referred to in subclause (1) is not applicable to a supplier in respect of any period during which there is no approved accreditation scheme of which the supplier can be a member.

45C Ancillary provisions

The following provisions of this Division are ancillary provisions relating to the licence condition referred to in clause 45B.

45D Renewable energy sources accreditation schemes

- (1) The Minister may approve one or more renewable energy sources accreditation schemes of which suppliers may be members for the purpose of supplying electricity from accredited renewable energy sources.
- (2) An accreditation scheme may be established specifically for the purposes of this Division or may form part of or be embodied in another scheme established for other purposes.
- (3) Without limiting the provisions that may be included in an accreditation scheme, an accreditation scheme may contain provisions regarding:
 - (a) the administration of the scheme, and
 - (b) eligibility for obtaining and retaining membership of the scheme, and

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- (c) the accreditation of renewable energy sources for the supply of electricity by suppliers, and
 - (d) the participation of suppliers in the scheme, and
 - (e) the making of renewable energy sources offers, and
 - (f) the supply of electricity by suppliers from accredited renewable energy sources.
- (4) An approval by the Minister may be unconditional or subject to conditions attached by the Minister, whether at the time of approval or afterwards.
- (5) The Minister may revoke or vary an approval.

45E Ancillary provisions relating to renewable energy sources offers and terms

(1) **Application of clause**

This clause applies in relation to the renewable energy sources offer made in relation to an offer made by a supplier to supply electricity to a potential new or moving customer.

(2) **Simultaneous offers to supply electricity under standard and negotiated contracts**

If the supplier makes an offer to supply electricity to the potential customer on the basis of a standard form customer supply contract and at the same time makes an offer to supply electricity to the potential customer on the basis of a negotiated customer supply contract, only one of the offers need include the renewable energy sources offer. This subclause has effect despite clause 45B (1) (a).

(3) **Revocation of acceptance—standard form customer supply contract**

If a customer who accepted the renewable energy sources offer is being supplied with electricity under a standard form customer supply contract:

- (a) the customer may revoke the acceptance, and
- (b) the renewable energy sources term applicable to the customer ceases to have effect at a time determined by the supplier but no later than 5 business days after the supplier is notified of the revocation.

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(4) **Revocation of acceptance—negotiated customer supply contract**

If a customer who accepted the renewable energy sources offer is being supplied with electricity under a negotiated customer supply contract, the customer may revoke the acceptance, but only if the contract provides for revocation and any applicable terms and conditions of the contract regarding a termination fee or penalty are satisfied.

(5) **Definition of “business day”**

In this clause:

business day means a day that is not a Saturday, Sunday or public holiday.

45F Application of percentage

The percentage (or range of percentages) that is the subject of a renewable energy sources offer and the percentage that is the subject of a renewable energy sources term may be calculated and applied either (at the choice of the supplier):

- (a) as the equivalent percentage of the customer’s electricity usage over a billing period, or
- (b) in some other manner permitted under the approved accreditation scheme of which the supplier is a member.

BY AUTHORITY
