



New South Wales

# Electricity Industry Restructuring (Response to Auditor-General Report) Bill 2008

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

This Bill is cognate with the *Electricity Industry Restructuring Bill 2008 (No 2)*.

## Overview of Bill

The object of this Bill is to impose the following additional requirements on the restructuring of the State's electricity industry under the proposed *Electricity Industry Restructuring Act 2008 (the EIR Act)* in response to the report of the Auditor-General on the restructuring:

- (a) the Government will be required to determine the retention value to the State and a reserve price for State electricity assets before any State electricity assets are transferred to the private sector,
- (b) the Secretary of the Treasury will be required to continuously evaluate the manner in which the restructuring is proposed to be implemented (including the method and timing of transactions),
- (c) the lease of a power station must not provide for the lessor to indemnify the lessee in respect of any liability under any carbon pollution reduction scheme of the Commonwealth.

The Bill also requires Country Energy to continue the operation of its customer service centres in the localities listed in Schedule 1 to the Bill.

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on the commencement of the provision of the EIR Act that authorises the restructuring of the State's electricity industry.

**Clause 3** provides for the proposed Act to be construed as if it formed part of the EIR Act.

**Clause 4** requires the Government to determine the retention value to the State and a reserve price for State electricity assets before any State electricity assets are transferred to the private sector.

**Clause 5** requires the Secretary of the Treasury to continuously evaluate the manner in which the restructuring is proposed to be implemented, including the method and timing of transactions, having regard to specified factors.

**Clause 6** prohibits the terms of a lease of a power station from providing indemnity to the lessee in respect of any liability of the lessee under any carbon pollution reduction scheme of the Commonwealth that accrues in connection with the operation of the power station.

**Clause 7** requires the continued operation of Country Energy customer service centres in the localities specified in Schedule 1.

**Clause 8** is a general regulation-making power.

## **Schedule 1      Country Energy customer service centre localities**

**Schedule 1** lists the localities in which Country Energy customer service centres are required to continue to operate.



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New South Wales

# **Electricity Industry Restructuring (Response to Auditor-General Report) Bill 2008**

No. , 2008

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## **A Bill for**

An Act to make further provision for the restructuring of the State electricity industry in connection with the report of the Auditor-General on the proposed restructuring.

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<b>The Legislature of New South Wales enacts:</b>	1
<b>1 Name of Act</b>	2
This Act is the <i>Electricity Industry Restructuring (Response to Auditor-General Report) Act 2008</i> .	3 4
<b>2 Commencement</b>	5
This Act commences (or is taken to have commenced) on the commencement of section 4 (Authority for transfer of State electricity assets to the private sector) of the <i>Electricity Industry Restructuring Act 2008</i> .	6 7 8 9
<b>3 Construction of Act</b>	10
This Act is to be construed with, and as if it formed part of, the <i>Electricity Industry Restructuring Act 2008</i> .	11 12
<b>4 Determination of retention value of State electricity assets</b>	13
The Government must determine the retention value to the State and a reserve price for State electricity assets before any State electricity assets are transferred to the private sector pursuant to the authorised restructuring.	14 15 16 17
<b>5 Evaluation of implementation of authorised restructuring</b>	18
The Secretary of the Treasury must continuously evaluate the manner in which the authorised restructuring is proposed to be implemented, including the method and timing of transactions, having regard to the following:	19 20 21 22
(a) the impact of external factors, including financial market conditions,	23 24
(b) an assessment of infrastructure capital demand,	25
(c) the impact of the Commonwealth's proposed carbon pollution reduction scheme,	26 27
(d) any other factors that may materially impact the proceeds of the authorised restructuring.	28 29
<b>6 Carbon pollution reduction liabilities of power station lessees</b>	30
The terms of a lease of a power station of an electricity generator pursuant to the authorised restructuring must not provide for the lessor to indemnify the lessee in respect of any liability of the lessee under any carbon pollution reduction scheme of the Commonwealth that accrues in connection with the operation of the power station (including liability for the cost of permits).	31 32 33 34 35 36

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**7 Country Energy customer service centres**

Country Energy must continue to operate a customer service centre in each of the localities specified in Schedule 1 in support of the operation of the distribution and transmission assets of Country Energy. The regulations may amend Schedule 1.

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**8 Regulations**

The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act.

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Schedule 1 Country Energy customer service centre localities

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<b>Schedule 1</b>	<b>Country Energy customer service centre localities</b>	1
		2
	(Section 7)	3
Albury		4
Armidale		5
Balranald		6
Batemans Bay		7
Bathurst		8
Bega		9
Broken Hill		10
Coffs Harbour		11
Cooma		12
Cowra		13
Deniliquin		14
Dubbo		15
Forbes		16
Forster		17
Goulburn		18
Grafton		19
Griffith		20
Gulgong		21
Hay		22
Hillston		23
Inverell		24
Leeton		25
Lismore		26
Moree		27
Mudgee		28
Narooma		29
Narrabri		30



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Narrandera	1
Oberon	2
Orange	3
Parkes	4
Port Macquarie	5
Queanbeyan	6
Tamworth	7
Taree	8
Trundle	9
Tweed Heads	10
Wagga Wagga	11
Wentworth	12
Young	13