

Passed by both Houses



New South Wales

# Electricity Supply Amendment (Solar Bonus Scheme) Bill 2009

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*I certify that this PUBLIC BILL, which originated in the LEGISLATIVE COUNCIL, has finally passed the LEGISLATIVE COUNCIL and the LEGISLATIVE ASSEMBLY of NEW SOUTH WALES.*

*Legislative Council*  
2009

*Clerk of the Parliaments*



New South Wales

## **Electricity Supply Amendment (Solar Bonus Scheme) Bill 2009**

Act No     , 2009

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An Act to amend the *Electricity Supply Act 1995* in relation to renewable energy generation by retail customers.

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**The Legislature of New South Wales enacts:**

**1    Name of Act**

This Act is the *Electricity Supply Amendment (Solar Bonus Scheme) Act 2009*.

**2    Commencement**

This Act commences on a day or days to be appointed by proclamation.

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## Schedule 1      Amendment of Electricity Supply Act 1995 No 94

### [1] Section 15A

Insert after section 15:

#### **15A      Distribution network service providers to allow small renewable energy generators to feed-in to network**

- (1) The objects of this section are as follows:
  - (a) to encourage and support persons who want to generate renewable energy as a response to climate change,
  - (b) to develop jobs in the renewable energy sector by assisting renewable energy generation to compete with non-renewable energy generation,
  - (c) to increase public exposure to renewable energy technology in order to encourage the whole community to respond to climate change.
- (2) For the purposes of this section a generator is a ***complying generator*** if the generator:
  - (a) is a solar photovoltaic generator, a wind turbine, or a renewable energy generator of a class prescribed by the regulations, that has a generating capacity of no more than 10 kilowatts, and
  - (b) is installed and connected to the distribution network in a manner that provides for all the electricity generated by the generator to be supplied to the distribution network and allows the relevant distribution network service provider to measure at any instant the amount of electricity supplied, and
  - (c) complies with, and is installed and connected in a manner that complies with, any safety, technical or metering requirements that may be prescribed by the regulations or market operations rules.
- (3) A distribution network service provider must, on application by or on behalf of a small retail customer, provide customer connection services so as to connect, or permit to be connected, to its distribution network a complying generator if:
  - (a) the generator is to be installed at premises that are in the distribution network service provider's distribution district, and

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Schedule 1 Amendment of Electricity Supply Act 1995 No 94

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- (b) the small retail customer has a right under section 15 to be provided with customer connection services at those premises.
- (4) The right that a person has under this section to have premises provided with customer connection services is subject to any provision of this Act or the regulations that authorises the disconnection of those premises from, or the refusal to connect those premises to, a distribution system.
- (5) A distribution network service provider must record a credit against charges payable at the amount of \$0.60 per kilowatt hour in respect of a small retail customer for electricity that:
  - (a) is produced by a complying generator installed and connected at the premises of the small retail customer, and
  - (b) is supplied to the distribution network by the small retail customer.
- (6) A distribution network service provider must, in accordance with the regulations, provide a retail supplier with:
  - (a) details of the amount of credit that has been recorded under this section for electricity supplied to the network by each small retail customer of the retail supplier, and
  - (b) such other information as may be required to be supplied by the regulations or the market operations rules.
- (7) A distribution network service provider must provide to the Minister and the Director-General a report within 28 days after 30 June and 31 December in each year that sets out:
  - (a) the total number of small retail customers in the distribution network service provider's distribution district who have installed and connected a complying generator, and
  - (b) the postcodes of those small retail customers, and
  - (c) the total generating capacity of all such generators in the distribution district, and
  - (d) such information as is available to the distribution network service provider about the amount of electricity supplied to the distribution network by complying generators in the distribution network service provider's distribution district during each month for the 12 month period ending on 30 June or 31 December as the case may be, and
  - (e) any other matter that may be prescribed by the regulations.

(8) It is a condition of a distribution network service provider's licence that the distribution network service provider must not contravene this section.

(9) This section is repealed on 31 December 2016.

**[2] Sections 26 (1) and (3), 27 (1) and 30 (1) (a)**

Insert "or from" after "electricity to" wherever occurring.

**[3] Section 29 Electricity meters**

Insert "or received from" after "supplied to" in section 29 (1).

**[4] Section 34A**

Insert after section 34:

**34A Retail suppliers to credit electricity supplied by small retail customers**

(1) A retail supplier must, in accordance with the regulations (if any):

- (a) pay a small retail customer an amount representing the amount of any credit recorded under section 15A for electricity supplied by the small retail customer, or
- (b) reduce an amount payable by the small retail customer by an amount representing that amount of credit.

(2) It is a condition of a retail supplier's licence that the retail supplier must not contravene this section.

**[5] Section 63C Market operations rules**

Insert "or generation" after "consumption" wherever occurring in section 63C (1) (b)–(e).

**[6] Section 191 Regulations**

Insert after section 191 (1A) (i):

- (j) the supply of electricity to the distribution network by customers using renewable energy generators, including but not limited to, requiring retail suppliers to acquire such electricity from customers or classes of customers,
- (k) any additional criteria that may have to be satisfied before a credit can be recorded under section 15A.

**[7] Sections 194 and 195**

Omit section 194. Insert instead:

**194 Review of solar bonus scheme by Auditor-General**

- (1) The Auditor-General is to review and report to Parliament on the following aspects of the solar bonus scheme (being the scheme for the payment of electricity supplied to the network by small retail customers using complying generators):
  - (a) the number of small retail customers that have installed and connected complying generators,
  - (b) the costs of the scheme including the total amount credited to small retail customers under the scheme,
  - (c) any other matter that the Auditor-General considers to be relevant.
- (2) The review is to be undertaken as soon as practicable after the period of 1 year from the commencement of section 15A.
- (3) The Auditor-General is to report to each House of Parliament on the results of the review conducted by the Auditor-General under this section as soon as practicable after 1 July 2011.
- (4) If a House of Parliament is not sitting when the Auditor-General seeks to present a report under this Part, the Auditor-General is to present the report to the Clerk of the House concerned.
- (5) The provisions of section 63C (Documents presented to Clerk of House of Parliament) of the *Public Finance and Audit Act 1983* apply in relation to a report presented to a Clerk of a House of Parliament under this section in the same way as they apply to documents presented to a Clerk under that Act.

**195 Review of solar bonus scheme by the Minister**

- (1) The Minister is to review the solar bonus scheme (being the scheme for the payment of electricity supplied to the network by small retail customers using complying generators) to determine whether the policy objectives of the scheme remain valid and whether the terms of the Act remain appropriate for securing those objectives.
- (2) The review is to be undertaken as soon as possible after 1 July 2012 or as soon as the Minister becomes aware that the total generating capacity of all complying generators reaches 50 megawatts, whichever occurs first.

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- (3) A report on the outcome of the review is to be tabled in each House of Parliament.

**[8] Schedule 6 Savings, transitional and other provisions**

Insert at the end of clause 1 (1):

*Electricity Supply Amendment (Solar Bonus Scheme) Act 2009*

**[9] Schedule 6**

Insert at the end of the Schedule with appropriate Part and clause numbering:

**Part Provisions consequent on enactment of  
Electricity Supply Amendment (Solar  
Bonus Scheme) Act 2009**

**Credits not to be recorded before commencement of scheme**

A distribution network service provider is not to record a credit under section 15A in respect of electricity supplied before the commencement of that section.

**Existing generator may be complying generator**

A generator installed before the commencement of section 15A may be a complying generator.

**Existing net metering schemes to continue until transition day**

- (1) The gross feed-in credit of \$0.60 per kilowatt hour that is provided for by section 15A is to operate and be applied as a net feed-in credit for electricity supplied by a small retail customer before the transition day in the following transitional cases:
- (a) electricity supplied to the distribution network of Integral Energy by a net feed-in generator that was first connected to that distribution network before the commencement of section 15A, or
  - (b) electricity supplied to the distribution network of Country Energy or EnergyAustralia by a net feed-in generator or a complying generator (whether connected to the distribution network before or after the commencement of section 15A).
- (2) This means that, in those transitional cases, the obligation under section 15A of a distribution network service provider to record a credit at the rate of \$0.60 per kilowatt hour for electricity produced by a complying generator and supplied to the

distribution network of Country Energy, EnergyAustralia or Integral Energy is an obligation to record a credit at that rate for the net electricity supplied by the small retail customer (that is, for electricity supplied in excess of that being used by the customer).

- (3) Until the transition day, Country Energy or EnergyAustralia are not required to provide customer connection services to a small retail customer under section 15A in respect of a generator unless the generator is installed and connected in a manner that enables Country Energy or EnergyAustralia to record a credit for the net electricity supplied by the small retail customer (that is, for electricity supplied in excess of that being used by the customer).
- (4) For the purposes of the operation of this clause (and the operation of section 15A in accordance with this clause), a net feed-in generator is taken to be a complying generator.
- (5) In this clause:  
*net feed-in generator* means a generator that would be a complying generator but for the fact that it is installed and connected in a manner that provides for some or all of the electricity generated by the generator to be used by the small retail customer (rather than being supplied to the distribution network).  
*transition day* means 1 July 2010, or if another day is prescribed by the regulations, that day.
- (6) Different days may be prescribed under subclause (4) in respect of Country Energy, EnergyAustralia or Integral Energy so that the provisions of this clause apply differently in respect of each of those bodies.

**[10] Dictionary**

Insert in alphabetical order:

*complying generator*—see section 15A (2).

**[11] Dictionary, definition of “customer connection services”**

Insert “or received from” after “supplied to” in paragraph (c).

**[12] Dictionary, definition of “distribution system”**

Insert after paragraph (a):

- (a1) from the premises of small retail customers that have a complying generator installed and connected from the point of supply to the premises, or

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**[13] Dictionary, definition of “generating system”**

Insert “but, subject to the regulations, does not include a complying generator” after “distribution system”.