

# Energy Efficiency (Cost of Living) Improvements (Priority Household Target) Determination 2021

**Disallowable instrument DI2021–165**

made under the

**Energy Efficiency (Cost of Living) Improvement Act 2012, s 8 (Priority household target)**

## EXPLANATORY STATEMENT

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### Introduction

This explanatory statement relates to the Energy Efficiency (Cost of Living) Improvements (Priority Household Target) Determination 2021 (the Determination) as presented to the Legislative Assembly. It has been prepared in order to assist the reader of the Determination. It does not form part of the Determination and has not been endorsed by the Assembly.

This explanatory statement clarifies the intent of the Determination and must be read in conjunction with the Determination. It is not, and is not intended to be, a comprehensive description of the Determination. What is written about a provision is not to be taken as an authoritative guide to the meaning of a provision, this being a task for the courts.

### Overview

The *Energy Efficiency (Cost of Living) Improvement Act 2012* (the Act) requires electricity retailers to achieve energy savings in households and small-to-medium enterprises. The purpose is to help households and businesses reduce emissions and energy costs, which is key for delivering on the ACT's emission reduction targets.

Under section 8(1) of the Act:

- the Minister must determine a priority household target (PHT) for the total energy savings to be achieved by tier 1 NERL retailers<sup>1</sup> undertaking eligible activities<sup>2</sup> at priority households;
- the PHT must be expressed as a percentage of the retailer's energy savings obligation of tier 1 NERL retailers in the ACT; and

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<sup>1</sup> 'tier 1 NERL retailer' is defined in the Act's Dictionary. Currently, the only tier 1 retailer in the ACT is ActewAGL.

<sup>2</sup> Eligible activities are determined pursuant to section 10 of the Act.

- the PHT only applies for the relevant calendar year (as per the definition of *compliance period* under section 12 of the Act).

The Determination sets the PHT at 40 per cent, for 1 January 2022 to 31 December 2022. The aim is to assure that a proportion of the prescribed energy savings target is met through activities administered in priority households.

The PHT has increased from the value set for the 2021 compliance period (which was set at 30 per cent). As required by section 8(2)(a) of the Act, the Determination will be made at least six months before the start of the compliance period on 1 January 2022

The instrument does not engage human rights under the *Human Rights Act 2004*.

A regulatory impact statement has been prepared for this instrument.

### **Clause Notes**

**Clause 1** names the instrument.

**Clause 2** indicates the timing for commencement of the instrument.

**Clause 3** provides that the priority household target is 40 per cent of the total energy saving obligations for the compliance period 1 January 2022 to 31 December 2022. This target has increased from the value set for the 2021 compliance period.