

Australian Capital Territory

Utilities (Greenpower obligations) Exemption 2022

Disallowable instrument DI2022–39

made under the

Utilities Act 2000, s 75G (Exemption from Greenpower obligations)

EXPLANATORY STATEMENT

Introduction

This explanatory statement relates to the *Utilities (Greenpower obligations) Exemption 2022* as presented to the Legislative Assembly. It has been prepared in order to assist the reader of the disallowable instrument and to help inform debate on it. It does not form part of the disallowable instrument and has not been endorsed by the Assembly.

The statement must be read in conjunction with the disallowable instrument. It is not, and is not meant to be, a comprehensive description of the disallowable instrument. 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

Under section 75E (1) (a) (Greenpower Obligations – general) of the *Utilities Act 2000* (the *Act*) retailers are required to first offer a Greenpower product to a prospective customer prior to any other electricity products.

This provision was made prior to the ACT Government achieving 100 per cent renewable electricity in 2020, to which an average Canberra household made, on average, \$300 contribution for the 2021-22 year.

The purpose of the disallowable instrument is to make an exemption under section 75G of the Act from compliance with section 75E (1) (a) of the Act if the Minister is satisfied on reasonable grounds that the exemption is in the public interest.

This disallowable instrument requires NERL electricity retailers to continue to offer Greenpower products to customers but not as a first offer.

GreenPower products purchased by ACT consumers are not counted towards the ACT's 100 per cent renewable electricity target. GreenPower products do, however,

contribute to reducing Australia's overall greenhouse gas emissions and therefore still provide benefits to decarbonising Australia's energy system.

The proposed change is reflective of the ACT electricity consumers' contribution to the Territory's 100 per cent renewable electricity target and avoid any perception of duplicated payment for renewable electricity in the ACT.

The proposed change will also give consumers greater clarity about the difference between their voluntary purchase of Greenpower product and their contribution to the ACT's 100 per cent renewable electricity target.

ACT consumers will continue to have a choice to purchase Greenpower products which add to the renewable energy generation to the grid.

Regulatory impact statement

A regulatory impact statement is not required as this instrument does not impose appreciable costs on the community or a part of the community (see section 34 (1) of the *Legislation Act 2001*).

Human rights

There are no human rights implications arising from this instrument. The instrument does not engage any rights under the *Human Rights Act 2004*.