

EXPLANATORY STATEMENT

Select Legislative Instrument No. 155, 2014

Issued by authority of the Minister for the Environment

Renewable Energy (Electricity) Act 2000

*Renewable Energy (Electricity) Amendment (Solar Zones and Other Measures)
Regulation 2014*

Section 161 of the *Renewable Energy (Electricity) Act 2000* (the “RET Act”) provides that the Governor-General may make regulations prescribing matters required or permitted by the Act, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The Renewable Energy Target (the “RET”) scheme is established by the RET Act and is supported by the RET Regulations. The RET is designed to reduce emissions of greenhouse gases in the electricity sector, encourage the additional generation of renewable energy through financial incentives, and ensure that at least 20 per cent of Australia's electricity supply will come from renewable sources by 2020.

The *Renewable Energy (Electricity) Amendment (Solar Zones and Other Measures) Regulation 2014* (the “Regulation”) amends the RET Regulations to update solar zones and update references to documentation and definitions following the passage of the *Clean Energy Legislation (Carbon Tax Repeal) Act 2014* (the “Carbon Tax Repeal Act”).

Update of Solar Zones

Under the RET, solar panel systems installed according to the requirements of the Small-scale Renewable Energy Scheme are eligible for small-scale technology certificates.

The number of certificates that a solar system is eligible to create is calculated using postcode groupings as a proxy to estimate the amount of solar radiation in a particular region. The postcode grouping or solar zones are currently published in the RET Regulations.

Australia Post periodically makes amendments to Australia's postcodes. In some cases these changes involve the use of out-of-sequence postcodes that result in new postcodes in certain areas within a solar zone that do not reflect the solar radiation in that area and do not provide for the correct number of certificates to be created.

The Regulation will update the solar zone list in the RET Regulations to reflect the allocation of new postcodes by Australia Post.

As the changes to the solar zone list is minor and does not substantially alter existing arrangements, no consultation was undertaken in preparing the amendments.

Repeal of the Carbon Tax

With the passage of the Carbon Tax Repeal Act, all carbon tax-related elements must be updated in the RET Regulations. Under the RET, emissions-intensive-trade-exposed activities may apply for Partial Exemption Certificates with respect to their RET liability. These applications can use reporting and audit requirements under the Jobs and Competitiveness Program. The Jobs and Competitiveness Program has been updated to reflect the repeal of the carbon tax, including the introduction of a true-up process. Consequential amendments are required to the Regulation to reflect these updates. Specifically, the Regulation will:

- update the definition of the Jobs and Competitiveness Program and define the true-up report under the Program; and
- update the partial exemption certificate application process to incorporate true-up reports and associated audit reports under the Jobs and Competitiveness Program.

Given that there was extensive consultation on repeal of the Carbon Tax and the rules for final true-up of the Jobs and Competitiveness Program and that these amendments minor and are consequential to the passage of the Carbon Tax Repeal Act, no consultation was undertaken in preparing these amendments.

General

Details of the Regulation are outlined in Attachment A.

A statement of the Regulation's compatibility with human rights is set out in Attachment B.

A glossary of terms used in this Explanatory Statement is provided in Attachment C.

There are no statutory pre-conditions that need to be satisfied before the power to make the Regulation may be exercised.

ATTACHMENT A

Details of the *Renewable Energy (Electricity) Amendment (Solar Zones and Other Measures) Regulation 2014* (the “Regulation”)

Section 1 – Name

Section 1 provides that the title of the Regulation is the *Renewable Energy (Electricity) Amendment (Solar Zones and Other Measures) Regulation 2014*.

Section 2 – Commencement

Section 2 provides that the Regulation commences the day after it is registered.

Section 3 – Authority

Section 3 provides that the Regulation is made under the *Renewable Energy (Electricity) Act 2000*.

Section 4 – Schedules

Section 4 provides that each instrument that is specified in a Schedule to the Regulation is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the Regulation has effect according to its terms.

Amendments

Schedule 1 – Amendments

Item 1 updates the definition of the Jobs and Competitiveness Program to reflect new arrangements after the repeal of the carbon tax.

Item 2 adds a definition for the true-up report under the Jobs and Competitiveness Program which is referred to in the arrangements for partial exemption certificate applications.

Item 3 repeals subregulations 19C(5) and (6) which refer to Schedule 7 of the Regulations which has previously been repealed.

Item 4 makes reference to Schedule 5, which details the zone ratings and postcode groupings to be used to determine the rating of a solar (photovoltaic) system.

Items 5, 15 and 17 remove paragraph 20(4) and inserts the description of zone ratings and solar zones in Parts 1 and 2 of Schedule 5.

Item 6 repeals paragraphs 22P(1) and 22P(2) which are no longer applicable as they relate to applications for partial exemption certificates in 2010.

Item 7 removes reference to an audit report prepared under the emissions-intensive-trade-exposed assistance program. The assistance programme was proposed under the

Carbon Pollution Reduction Scheme Bill 2009 (the “CPRS Bill”). However, the CPRS Bill was not enacted and the programme was not established.

Item 8 adds an audit report included in a true-up report under the Jobs and Competitiveness Program as prescribed information for 2015 applications for partial exemption certificates.

Items 9-10 clarify that partial exemption certificate applications for 2015 do not need to be accompanied by an audit report if:

- the regulator has been given a true-up report that includes an audit report;
- all the relevant facilities are included in the true-up report; and
- the amount is the same as in the true-up report.

Items 11-13 update the considerations for the Regulator for a partial exemption certificate application reflecting updates to the Jobs and Competitiveness Program after the repeal of the carbon tax.

Item 14 updates the note to the Schedule 5 heading to reflect the repeal of paragraph 20(4) in Item 6 and the new reference to Schedule 5 in paragraph 20(1)(b) in Item 4.

Items 16 and 18 update the headings of the tables in Parts 1 and 2 of Schedule 5 to provide a more detailed description of the tables.

Items 19-21 update the postcode groupings table in Part 2 of Schedule 5 to reflect the allocation of new postcodes by Australia Post.

Item 22 is a typographical amendment to rename the second paragraph 646(1)(e) which was listed twice in the RET Regulations. Paragraphs 646(1)(d) to (f) will be renamed as paragraphs 646(1)(d) to (g).

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Renewable Energy (Electricity) Amendment (Solar Zones and Other Measures) Regulation 2014

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The *Renewable Energy (Electricity) Amendment (Solar Zones and Other Measures) Regulation 2014* amends the *Renewable Energy (Electricity) Regulations 2001* in order to update the postcode groupings listed and update references to documentation and definitions following the repeal of the carbon tax.

Human rights implications

This Legislative Instrument does not engage any of the applicable human rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

The Hon Greg Hunt MP
Minister for the Environment

ATTACHMENT C

Glossary of Terms Used

Term	Definition
Carbon Tax Repeal Act	<i>Clean Energy Legislation (Carbon Tax Repeal) Act 2014</i>
CPRS Bill	Carbon Pollution Reduction Scheme Bill 2009
RET	Renewable Energy Target
RET Act	<i>Renewable Energy (Electricity) Act 2000</i>
RET Regulations	<i>Renewable Energy (Electricity) Regulations 2001</i>
Regulation	<i>Renewable Energy (Electricity) Amendment (Solar Zones and Other Measures) Regulation 2014</i>
Regulator	Clean Energy Regulator