

## **EXPLANATORY STATEMENT**

**Authorised by the Clean Energy Regulator**

***Renewable Energy (Electricity) Regulations 2001***

***Renewable Energy (Electricity) (Zone Ratings and Zones for Solar (Photovoltaic) Systems) Instrument 2018***

### **Introduction**

The *Renewable Energy (Electricity) Regulations 2001* (the “REE Regulations”) facilitate the objectives of the Renewable Energy Target (“RET”) scheme.

The REE Regulations have been amended with effect from 1 July 2018. The relevant amendments repeal Schedule 5 of the current REE Regulations and empower the Clean Energy Regulator (the Regulator) to make this instrument.

Subregulation 20(4) of the REE Regulations provides that the Regulator may prescribe zone ratings for solar (photovoltaic) systems, and zones, for the purposes of paragraph 20(1)(b) of the REE Regulations. Section 4(2) of the *Acts Interpretation Act* provides that an instrument may be made prior to the commencement of the relevant authority.

### **Purpose and operation of the instrument**

Under the RET, solar panel systems installed according to 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 groups (referred to as “solar zones”) were previously published in Schedule 5 of the REE Regulations. Item 8 of Part 2 of Schedule 2 to the *Renewable Energy (Electricity) Amendment (Exemptions and Other Measures) Regulation 2017* repeals Schedule 5 of the REE Regulations with effect from 1 July 2018.

This instrument sets out the zone ratings for solar (photovoltaic) systems and zones. The instrument effectively replaces the repealed Schedule 5. The postcode zones and ratings in this instrument are identical to those set out in the repealed Schedule 5. Subsequent instruments may amend or add zones and ratings.

### **Documents incorporated by reference**

This instrument does not incorporate any documents by reference.

### **Consultation**

The Department of Environment and Energy released an exposure draft of the *Renewable Energy (Electricity) Amendment (Exemptions and Other Measures) Regulations 2017* in October and November

2017 for public comment. The exposure drafts included the amendments allowing the Regulator to prescribe zone ratings and zones by legislative instrument. One submission was received by the Department that identified a minor typographical error in the proposed amendment to paragraph 20(1)(b).

As this new instrument does not alter existing solar zone ratings and zones, no additional consultation was undertaken in preparing this instrument.

### **Regulatory impact assessment**

The Office of Best Practice Regulation (“OBPR”) has advised that a Regulatory Impact Statement is not required (OBPR ID: 23681). Further, OBPR has agreed that the proposal does not change the regulatory costs on business, community organisations or individuals.

**Details of the *Renewable Energy (Electricity) (Zone Ratings and Zones for Solar (Photovoltaic) Systems) Instrument 2018***

**1. Name of Instrument**

Section 1 provides that the title of the Instrument is the *Renewable Energy (Electricity) (Zone Ratings and Zones for Solar (Photovoltaic) Systems) Instrument 2018*.

**2. Commencement**

Section 2 provides that the Instrument commences on 1 July 2018.

**3. Authority**

Section 3 provides that the Instrument is made under subregulation 20(4) of the *Renewable Energy (Electricity) Regulations 2001*.

**4. Zone ratings**

Section 4 sets out the zone ratings for solar (photovoltaic) systems depending on where they are installed.

**5. Zones**

Section 5 sets out the zones for postcodes where solar (photovoltaic) systems are installed.

**Statement of Compatibility with Human Rights**

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

***Renewable Energy (Electricity) (Zone Ratings and Zones for Solar (Photovoltaic) Systems) Instrument 2018***

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 instrument**

The *Renewable Energy (Electricity) (Zone Ratings and Zones for Solar (Photovoltaic) Systems) Instrument 2018* sets out the zone ratings for solar (photovoltaic) cells, and zones based on postcode groupings.

**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.