

National Energy Laws Amendment (Stand-Alone Power Systems)

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PCC—consultation draft

National Energy Laws Amendment (Stand-Alone Power Systems)

1 Name of Act

This Act is the *National Energy Laws Amendment (Stand-Alone Power Systems)*.

2 Commencement

This Act commences on [to be completed].

Schedule 1 Amendment of National Electricity Law

[1] Section 2 Definitions

Insert “and includes a regulated stand-alone power system to the extent provided by the Rules” after “a distribution system” in the definition of *distribution system* in section 2(1).

[2] Section 2(1), definition of “national electricity system”

Insert at the end of paragraph (b)—

and

- (c) regulated stand-alone power systems;

[3] Section 2(1), definition of “network service provider”

Insert “or that owns, controls or operates a regulated stand-alone power system” after “electricity system”.

[4] Section 2(1), definition of “power system security”

Omit the definition. Insert instead—

power system security means the safe scheduling and dispatch, and operation and control of—

- (a) the national electricity system (other than regulated stand-alone power systems); and
- (b) regulated stand-alone power systems to the extent provided by the Rules;

[5] Section 2(1), definition of “regulated stand-alone power system”

Insert in alphabetical order—

regulated stand-alone power system—see section 6B;

[6] Section 6B

Insert after section 6A—

6B Regulated stand-alone power systems

- (1) The regulations under the application Act of a participating jurisdiction (a *local regulation*) may provide that the following form part of the national electricity system (a *regulated stand-alone power system*)—
- (a) a particular stand-alone power system, which consists of a distribution system owned, controlled or operated, or proposed to be owned, controlled or operated, by a regulated distribution system operator;
- (b) a stand-alone power system, which consists of a distribution system owned, controlled or operated, or proposed to be owned, controlled or operated, by a regulated distribution system operator, that belongs to a particular class of stand-alone power systems.
- (2) Without limiting subsection (1), the local regulation may provide that a particular stand-alone power system, or a class of stand-alone power systems, forms part of the national electricity system by reference to—
- (a) the particular geographic area in which the stand-alone power system, or class of stand-alone power systems, is or will be located; or

- (b) the regulated distribution system operator that owns, controls or operates, or proposes to own, control or operate, the stand-alone power system or class of stand-alone power systems; or
 - (c) whether the stand-alone power system, or class of stand-alone power systems, complies with any requirements specified by the Rules.
- (3) The local regulation may modify the application of a specified provision of this Law or the Rules for and with respect to a regulated stand-alone power system or a class of regulated stand-alone power systems.
- (4) A regulated distribution system operator that owns, controls or operates a regulated stand-alone power system—
- (a) must comply with the Rules to the extent that the Rules are applied by the local regulation to the regulated stand-alone power system; and
 - (b) may, to the extent that the Rules apply to the regulated stand-alone power system, be proceeded against under this Law for any breach of those Rules.
- (5) The Minister responsible for administering the application Act (other than the application Act of South Australia) under which a local regulation referred to in this section is made is to make arrangements for notice of the making and publication of the regulation to be published for information in the South Australian Government Gazette.
- (6) In this section—
stand-alone power system means a system that generates, stores and distributes electricity (for example, by means of solar panels) that does not form part of the interconnected national electricity system.

[7] Section 11 Electricity market activities in this jurisdiction

Insert “or directly or indirectly connected to a regulated stand-alone power system” after “electricity system” in section 11(1).

[8] Section 11(2)

Insert “or that forms part of, or is directly or indirectly connected to, a regulated stand-alone power system” after “electricity system”.

[9] Section 15 Functions and powers of AER

Omit “forming part of the interconnected transmission and distribution system” from section 15(1)(e).

[10] Section 90EB

Insert after section 90EA—

90EB South Australian Minister to make initial Rules relating to stand-alone power systems

- (1) The Minister in right of the Crown of South Australia administering Part 2 of the *National Electricity (South Australia) Act 1996* of South Australia (the *South Australian Minister*) may make Rules—
- (a) for or with respect to the stand-alone power system amendments; and
 - (b) for or with respect to any other subject contemplated by, or necessary or expedient for the stand-alone power system amendments; and
 - (c) that revoke or amend a Rule as a consequence of the enactment of the stand-alone power system amendments.

- (2) Section 34(3) applies to Rules made under subsection (1) in the same way as it applies to Rules made by the AEMC.
- (3) As soon as practicable after making Rules under subsection (1), the South Australian Minister must—
 - (a) publish notice of the making of the Rules in the South Australian Government Gazette; and
 - (b) make the Rules publicly available.
- (4) The notice referred to in subsection (3)(a) must state—
 - (a) the date on which the Rules commence operation; or
 - (b) if different Rules will commence operation on different dates, those dates.
- (5) The Rules made under subsection (1) may only be made on the recommendation of the MCE.
- (6) Once the first Rules have been made under subsection (1), no further Rules can be made under that subsection.
- (7) In this section, *stand-alone power system amendments* means the amendments made to this Law by the [title of SA amending Act] of South Australia.

[11] Section 114 AEMO to ensure maintenance of supply of sensitive loads

Omit “the national electricity system is operated in a manner that maintains the supply to sensitive loads”.

Insert instead—

the following are operated in a manner that maintains the supply to sensitive loads—

- (a) the national electricity system (other than regulated stand-alone power systems); and
- (b) regulated stand-alone power systems to the extent provided by the Rules.

Schedule 2 Amendment of National Energy Retail Law

[1] Section 237 Subject matters of Rules

Insert after section 237(2)(h)—

- (ha) the sale of electricity to customers whose premises are connected to a regulated stand-alone power system (within the meaning of the NEL);

[2] Section 238AB

Insert after section 238A—

238AB South Australian Minister may make initial Rules relating to stand-alone power systems

- (1) The Minister in right of the Crown of South Australia administering Part 2 of the *National Electricity Retail Law (South Australia) Act 2011* of South Australia (the **South Australian Minister**) may make Rules—
 - (a) for or with respect to the stand-alone power system amendments; and
 - (b) for or with respect to any other subject contemplated by, or necessary or expedient for the stand-alone power system amendments; and
 - (c) that revoke or amend a Rule as a consequence of the enactment of the stand-alone power system amendments.
- (2) As soon as practicable after making Rules under subsection (1), the South Australian Minister must—
 - (a) publish notice of the making of the Rules in the South Australian Government Gazette; and
 - (b) make the Rules publicly available.
- (3) The notice referred to in subsection (2)(a) must state—
 - (a) the date on which the Rules commence operation; or
 - (b) if different Rules will commence operation on different dates, those dates.
- (4) The Rules made under this section may only be made on the recommendation of the MCE.
- (5) Section 237(3) applies to Rules made under subsection (1) in the same way as it applies to Rules made by the AEMC.
- (6) Once the first Rules have been made under subsection (1), no further Rules can be made under that subsection.
- (7) In this section, **stand-alone power system amendments** means the amendments made to the NEL and this Law by the [*title of SA amending Act*] of South Australia.

[3] Schedule 1 Savings and transitionals

Insert after clause 1—

Part 2 Transitional provision related to stand-alone power systems

2 Designated retailer for regulated stand-alone power systems

The designated retailer for a small customer's premises that are connected to a stand-alone power system that becomes a regulated stand-alone power system under the NEL after the commencement of section 6B of the NEL is—

- (a) the financially responsible retailer for the premises; or
- (b) if there is no financially responsible retailer for the premises—the local area retailer for the premises.