

Parliamentary Counsel’s Committee

National Energy Laws Amendment (Emissions Reduction Objectives) Bill 2023

Contents

		Page
Part 1	Preliminary	
1	Short title	3
2	Commencement	3
3	Amendment provisions	3
Part 2	Amendment of National Electricity Law	
4	Amendment of section 7—National electricity objective	3
5	Amendment of Schedule 3—Savings and transitionals	5
	Part 18 Transitional provision related to national electricity objective amendments	
	38 Application of amended national electricity objective to particular decisions and actions	5
Part 3	Amendment of National Energy Retail Law	
6	Amendment of section 13—National energy retail objective	7
7	Amendment of Schedule 1—Savings and transitionals	8
	Part 3 Transitional provision related to national energy retail objective amendments	
	7 Application of amended national energy retail objective to particular decisions and actions	8
Part 4	Amendment of National Gas Law	
8	Amendment of section 23—National gas objective	9
9	Amendment of Schedule 3—Savings and transitionals	10
	Part 20 Transitional provision related to national gas objective amendments	
	133 Application of amended national gas objective to particular decisions and actions	11

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Part 1 Preliminary

1 Short title

This Act may be cited as the *National Energy Laws Amendment (Emissions Reduction Objectives) Bill 2023*.

2 Commencement

This Act will come into operation on a day to be fixed by proclamation.

3 Amendment provisions

In this Act—

- (a) a provision in Part 2 amends the *National Electricity Law* set out in the Schedule to the *National Electricity (South Australia) Act 1996*; and
- (b) a provision in Part 3 amends the *National Energy Retail Law* set out in the Schedule to the *National Energy Retail Law (South Australia) Act 2011*; and
- (c) a provision in Part 4 amends the *National Gas Law* set out in the Schedule to the *National Gas (South Australia) Act 2008*.

Part 2 Amendment of *National Electricity Law*

4 Amendment of section 7—National electricity objective

- (1) Section 7—delete “consumers of electricity” and substitute:
consumers of energy

[s 4]

- (2) Section 7(b)—delete “system.” and substitute:
system; and
- (3) Section 7—after paragraph (b) insert:
- (c) the achievement of targets for reducing Australia’s greenhouse gas emissions to which the Commonwealth, a State or a Territory has made a public commitment, including—
 - (i) Australia’s greenhouse gas emissions reduction targets provided for under the *Climate Change Act 2022* of the Commonwealth; and
 - (ii) other targets for reducing, or that is likely to contribute to reducing, Australia’s greenhouse gas emissions—
 - (A) stated in a law of the Commonwealth, a State or a Territory; or
 - (B) stated in, or made under, an international agreement to which the Commonwealth, a State or a Territory is a party; or
 - (C) stated publicly as a matter of policy by the Commonwealth, a State or a Territory.
- (4) Section 7—after its present contents (now to be designated as subsection (1)) insert:
- (2) In this section—
 - energy** means electricity or gas or both;
 - gas** means natural gas within the meaning of the National Gas Law.

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Drafting note—

Energy Ministers have agreed to progress amendments to the National Gas Law to bring hydrogen blends, biomethane and other renewable gases under the national gas regulatory framework. These gases and gas blends will be collectively referred to as *covered gases*.

A draft National Energy Laws Amendment (Other Gases) Bill 2022 was released for public consultation in March 2022. The consultation draft Bill can be viewed at www.energy.gov.au/government-priorities/energy-ministers/priorities/gas.

If that Bill is passed by the South Australian Parliament, the definition of *gas* above will be changed to ‘means covered gas within the meaning of the National Gas Law’.

5 Amendment of Schedule 3—Savings and transitionals

Schedule 3—after Part 17—

insert—

**Part 18 Transitional provision
related to national
electricity objective
amendments**

**38 Application of amended national electricity
objective to particular decisions and actions**

- (1) This clause applies in relation to a thing done, or required or permitted to be done, under this Law by the AEMC, AEMO, the AER, the Energy Security Board, the MCE or another government entity (each a *government or regulatory entity*) or another person if—
- (a) before the commencement day, the government or regulatory entity or other person had started, or was required or permitted to start, doing the thing; and

[s 5]

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- (b) on the commencement day—
 - (i) the government or regulatory entity or other person has not finished doing the thing; or
 - (ii) the period within which the thing is required or permitted to be done has not ended; and
- (c) in doing the thing, the government or regulatory entity or other person is required to consider or apply the national electricity objective by, for example—
 - (i) having regard to the national electricity objective; or
 - (ii) doing the thing in a manner that will or is likely to contribute to the achievement of the national electricity objective.
- (2) The national electricity objective as in force from time to time before the commencement day continues to apply in relation to the doing of the thing.
- (3) However, subclause (2) does not prevent a regulatory or government entity, in doing the thing, from considering or applying the national electricity objective as in force from the commencement day.
- (4) In this clause—

commencement day means the day on which section 4 of the *National Energy Laws Amendment (Emissions Reduction Objectives) Act 2023* comes into operation.

Part 3 **Amendment of *National Energy Retail Law***

6 **Amendment of section 13—National energy retail objective**

Section 13—delete from “with respect to” and substitute:

with respect to—

- (a) price, quality, safety, reliability and security of supply of energy; and
- (b) the achievement of targets for reducing Australia’s greenhouse gas emissions to which the Commonwealth, a State or a Territory has made a public commitment, including—
 - (i) Australia’s greenhouse gas emissions reduction targets provided for under the *Climate Change Act 2022* of the Commonwealth; and
 - (ii) other targets for reducing, or that is likely to contribute to reducing, Australia’s greenhouse gas emissions—
 - (A) stated in a law of the Commonwealth, a State or a Territory; or
 - (B) stated in, or made under, an international agreement to which the Commonwealth, a State or a Territory is a party; or
 - (C) stated publicly as a matter of policy by the Commonwealth, a State or a Territory.

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[s 7]

7 Amendment of Schedule 1—Savings and transitionals

Schedule 1—after Part 2—

insert—

**Part 3 Transitional provision
related to national
energy retail objective
amendments**

**7 Application of amended national energy retail
objective to particular decisions and actions**

- (1) This clause applies in relation to a thing done, or required or permitted to be done, under this Law by the AEMC, AEMO, the AER, the Energy Security Board, the MCE or another government entity (each a *government or regulatory entity*) or another person if—
- (a) before the commencement day, the government or regulatory entity or other person had started, or was required or permitted to start, doing the thing; and
 - (b) on the commencement day—
 - (i) the government or regulatory entity or other person has not finished doing the thing; or
 - (ii) the period within which the thing is required or permitted to be done has not ended; and
 - (c) in doing the thing, the government or regulatory entity or other person is required to consider or apply the national energy retail objective by, for example—
 - (i) having regard to the national energy retail objective; or

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- (ii) doing the thing in a manner that will or is likely to contribute to the achievement of the national energy retail objective.
 - (2) The national energy retail objective as in force from time to time before the commencement day continues to apply in relation to the doing of the thing.
 - (3) However, subclause (2) does not prevent a government or regulatory entity, in doing the thing, from considering or applying the national energy retail objective as in force from the commencement day.
 - (4) In this clause—

commencement day means the day on which section 6 of the *National Energy Laws Amendment (Emissions Reduction Objectives) Act 2023* comes into operation.

Part 4 **Amendment of *National Gas Law***

8 **Amendment of section 23—National gas objective**

- (1) Section 23—delete from “consumers of natural gas with respect to” and substitute:

consumers of energy with respect to—

- (a) price, quality, safety, reliability and security of supply of natural gas; and
- (b) the achievement of targets for reducing Australia’s greenhouse gas emissions to which the Commonwealth, a State or a Territory has made a public commitment, including—

[s 9]

- (i) Australia’s greenhouse gas emissions reduction targets provided for under the *Climate Change Act 2022* of the Commonwealth; and
 - (ii) other targets for reducing, or that is likely to contribute to reducing, Australia’s greenhouse gas emissions—
 - (A) stated in a law of the Commonwealth, a State or a Territory; or
 - (B) stated in, or made under, an international agreement to which the Commonwealth, a State or a Territory is a party; or
 - (C) stated publicly as a matter of policy by the Commonwealth, a State or a Territory.
- (2) Section 23—after its present contents (now to be designated as subsection (1)) insert:
- (2) In this section—
- energy* means electricity or natural gas or both.

9 Amendment of Schedule 3—Savings and transitionals

Schedule 3—after Part 18—

insert—

Part 20

Transitional provision related to national gas objective amendments

133 Application of amended national gas objective to particular decisions and actions

- (1) This clause applies in relation to a thing done, or required or permitted to be done, under this Law by the AEMC, AEMO, the AER, the Energy Security Board, the MCE or another government entity (each a *government or regulatory entity*) or another person if—
- (a) before the commencement day, the government or regulatory entity or other person had started, or was required or permitted to start, doing the thing; and
 - (b) on the commencement day—
 - (i) the government or regulatory entity or other person has not finished doing the thing; or
 - (ii) the period within which the thing is required or permitted to be done has not ended; and
 - (c) in doing the thing, the government or regulatory entity or other person is required to consider or apply the national gas objective by, for example—
 - (i) having regard to the national gas objective; or
 - (ii) doing the thing in a manner that will or is likely to contribute to the achievement of the national gas objective.
- (2) The national gas objective as in force from time to time before the commencement day continues to apply in relation to the doing of the thing.
- (3) However, subclause (2) does not prevent a government or regulatory entity, in doing the thing, from considering or applying the national

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[s 9]

gas objective as in force from the commencement day.

(4) In this clause—

commencement day means the day on which section 8 of the *National Energy Laws Amendment (Emissions Reduction Objectives) Act 2023* comes into operation.