

Legislative Council—No 98

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South Australia

**Statutes Amendment (National Energy Laws)
(Stand-Alone Power Systems) Bill 2020**

A BILL FOR

An Act to amend the *National Electricity (South Australia) Act 1996* and the *National Energy Retail Law (South Australia) Act 2011*.

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The Parliament of South Australia enacts as follows:

Part 1—Preliminary

1—Short title

- 5 This Act may be cited as the *Statutes Amendment (National Energy Laws) (Stand-Alone Power Systems) Act 2020*.

2—Commencement

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

3—Amendment provisions

In this Act—

- 10 (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*.

Part 2—Amendment of *National Electricity Law*

4—Amendment of section 2—Definitions

- (1) Section 2(1), definition of *distribution system*—after "a distribution system" insert:
5 and includes a regulated stand-alone power system to the extent provided by
the Rules
- (2) Section 2(1), definition of *national electricity system*—after paragraph (b) insert:
and
(c) regulated stand-alone power systems;
- (3) Section 2(1), definition of *network service provider*—after "electricity system" insert:
10 or that owns, controls or operates a regulated stand-alone power system
- (4) Section 2(1), definition of *power system security*—after "electricity system" insert:
(other than regulated stand-alone power systems)
- (5) Section 2(1)—after the definition of *regulated network service provider* insert:
regulated stand-alone power system—see section 6B;

5—Insertion of section 6B

15 After section 6A insert:

6B—Regulated stand-alone power systems

- (1) The regulations under the application Act of a participating
20 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
25 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
30 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
35 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

5 (c) whether the stand-alone power system, or class of stand-alone power systems, complies with any requirements specified by the Rules.

10 (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—

15 (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.

20 (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.

25 (6) In this section—

stand-alone power system means a system that—

(a) generates and distributes electricity; and

30 (b) does not form part of the interconnected national electricity system.

6—Amendment of section 11—Electricity market activities in this jurisdiction

(1) Section 11(1)—after "electricity system" insert:

or directly or indirectly connected to a regulated stand-alone power system

(2) Section 11(2)—after "electricity system" insert:

35 or that forms part of, or is directly or indirectly connected to, a regulated stand-alone power system

7—Amendment of section 15—Functions and powers of AER

Section 15(1)(e)—delete "forming part of the interconnected transmission and distribution system"

8—Insertion of section 90EB

After section 90EA insert:

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

- 5 (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
- 10 (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.
- 15 (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—
- 20 (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
- 25 (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.
- 30 (7) In this section—
- stand-alone power system amendments* means the amendments made to this Law by the *Statutes Amendment (National Energy Laws) (Stand-Alone Power Systems) Act 2020*.

9—Amendment of section 114—AEMO to ensure maintenance of supply of sensitive loads

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Section 114—after "system" insert:

(other than regulated stand-alone power systems)

Part 3—Amendment of *National Energy Retail Law*

10—Amendment of section 237—Subject matters of Rules

Section 237(2)—after paragraph (h) insert:

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

11—Insertion of section 238AB

After section 238A insert:

10 **238AB—South Australian Minister may make initial Rules relating to stand-alone power systems**

- 15 (1) The Minister in right of the Crown of South Australia administering Part 2 of the *National Energy Retail Law (South Australia) Act 2011* of South Australia (the *South Australian Minister*) may make Rules—
- 15 (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
- 20 (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—
- 25 (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—
- 30 (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.
- 35 (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 *Statutes Amendment (National Energy Laws) (Stand-Alone Power Systems) Act 2020*.

5 **12—Amendment of Schedule 1—Savings and transitionals**

Schedule 1—after Part 1 insert:

Part 2—Transitional provision related to stand-alone power systems

2—Transitional provision related to stand-alone power systems

10 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—

- 15
- (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.