

TASMANIA

**ELECTRICITY SUPPLY INDUSTRY (LOWER POWER PRICES FOR  
ALL TASMANIANS) AMENDMENT BILL 2011**

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**CONTENTS**

1. Short title
2. Commencement
3. Principal Act
4. Section 3 amended
5. Sections 40A and 40B inserted
6. Section 122 amended
7. Savings and transitional provisions
8. Administration of Act

**ELECTRICITY SUPPLY INDUSTRY (LOWER POWER PRICES  
FOR ALL TASMANIANS) AMENDMENT BILL 2011**

*(Brought in by Matthew Guy Groom MP)*

**A BILL FOR**

**An Act to amend the *Electricity Supply Industry Act 1995* to enable full retail contestability in the Tasmanian electricity market from 1 July 2012.**

Be it enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:

**1. Short title**

This Act may be cited as the *Electricity Supply Industry (Lower Power Prices for all Tasmanians) Amendment Act 2011*.

**2. Commencement**

This Act commences on the day on which it receives the Royal Assent.

**3. Principal Act**

Unless the contrary intention appears, the Principal Act referred to in this Act is the *Electricity Supply Industry Act 1995*\*.

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\*No. 58 of 1995

**4. Section 3 amended**

Section 3 of the Principal Act is amended as follows –

- (1) By deleting the definition of “contestable customer” and inserting –

**"contestable customer"** means –

(a) Before 1 July 2012 –

(i) a customer, or a customer of a class, prescribed by the regulations to be a contestable customer; and

(ii) if the regulations provide for the determination of a contestable customer by the Regulator, a customer determined by the Regulator in accordance with the regulations to be a contestable customer;

(b) After 1 July 2012, all customers irrespective of their level of electricity consumption.

- (2) By inserting after the definition of “reviewable decision” the following definitions:

**“small customer”** means a contestable customer with an annual electricity consumption of less than 0.15 gigawatt hours;

**“standard retail contract”** means a contract between an electricity entity and a small customer, in a form approved by the Regulator and otherwise in accordance with section 40A;

- (3) By inserting after the definition of “low voltage” the following definition:

**“market retail contract”** means a contract between an electricity entity and a small customer on terms and

conditions agreed and otherwise in accordance with section 40B;

## **5. Sections 40A and 40B inserted**

After section 40 of the Principal Act, the following sections are inserted in Subdivision 1 of Division 4:

### **40A. Standard retail contract with small customers**

An electricity entity licensed to provide customer retail services to small customers must adopt a standard retail contract in a form approved by the Regulator which:

- (1) complies with the terms of the electricity entity's licence;
- (2) complies with this Act, the regulations and any relevant industry codes; and
- (3) includes a maximum price for customer retail services that does not exceed the relevant tariff as fixed by the Regulator in accordance with the *Declared Electrical Services Pricing Determination issued on 29 October 2010*, or any superseding Determination made by the Regulator in accordance with the regulations.

### **40B. Market retail contract with small customers**

A small customer and a licensed electricity entity may negotiate and enter into a market retail contract for the provision of customer retail services and any other services on terms that differ from the standard retail contract of that entity, provided that the contract:

- (1) complies with the terms of the electricity entity's licence; and
- (2) complies with this Act, the regulations and any relevant industry codes.

**6. Section 122 amended**

(1) Section 122 of the Principal Act is amended by deleting from subsection (2) paragraphs (d), (e), (f), (g), (h), (i) and (j) and inserting the following –

(d) conditions of electricity sale or supply; and

(e) tariff arrangements; and

(f) licensing arrangements; and

(g) obligation to supply arrangements; and

(h) deemed customer arrangements; and

(i) small customer contract minimum terms and conditions; and

(j) other consumer protection arrangements.

(2) Section 122 of the Principal Act is amended by adding after subsection (2D) the following –

(2E) Without limiting subsection (1), the regulations may provide for any matter consistent with the purpose of the *Electricity Supply Industry (Lower Power Prices for all Tasmanians) Amendment Act 2011* to facilitate transition to full contestability for Tasmanian electricity consumers.

**7. Savings and transitional provisions**

(1) If, immediately prior to the commencement of this Act, a customer was being provided with customer retail services by an electricity entity on the basis of a regulated tariff, the electricity entity must continue to provide those services to that customer on the basis of that regulated tariff and subject to the same terms and conditions until such time as the customer enters into either a standard retail contract or market retail contract for provision of those services.

- (2) Subsection (1) does not excuse a customer from the obligation to pay for customer retail services provided to them under terms applicable prior to the commencement of this Act.

## **8. Administration of Act**

Until provision is made in relation to this Act by order under section 4 of the *Administrative Arrangements Act 1990* –

- (a) the administration of this Act is assigned to the Minister for Energy and Resources; and
- (b) the agency responsible to that Minister in relation to the administration of this Act is the Department of Infrastructure, Energy and Resources.