

DRAFT SECOND READING SPEECH

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Energy Co-Ordination and Planning Amendment Bill 2018

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Madam Speaker, I move that the Bill now be read a second time.

During 2015-2016, Tasmania experienced a significant energy security event resulting from a combination of the record low spring rainfall, and an extended outage of the Basslink interconnector.

Following this event, the Tasmanian Government established the Tasmanian Energy Security Taskforce to advise the Government how to prepare for, and mitigate against, the risk of such events in the future.

A key priority action that the Taskforce recommended, and which has been accepted by Government, was the adoption of an Energy Security Risk Response Framework. This Framework sets the energy security risk reporting regime and the energy security oversight roles that will enable future energy security events to be mitigated and managed.

Madam Speaker, this Bill is about providing the necessary legislative amendments to strengthen the Government's Energy Security Risk Response Framework, as recommended by the Taskforce.

These amendments to the *Energy Co-ordination and Planning Act 1995* will give a statutory basis for the Energy Security Risk Response Framework.

Central to the Energy Security Risk Response Framework is the formal creation and legislative recognition of the oversight roles of the Monitor and Assessor and the Energy Security Co-ordinator.

Madam Speaker, I will now outline the key functions of these two roles.

First, the Monitor and Assessor role is to provide independent oversight and transparent public reporting of energy security (primarily electricity and gas) informed by primary level data provided by relevant energy supply providers.

Second, the Energy Security Co-ordinator's role is to coordinate responses across market participants to manage electricity supply risks when water storages are at or below an 'energy security reserve' level.

Under the Energy Security Framework energy in storage levels are regularly assessed against pre-determined thresholds. If these thresholds are passed, or are forecast to be passed, the Monitor and Assessor and/or the Energy Security Co-ordinator will initiate response actions in accordance with the Framework.

The Tasmanian Economic Regulator is currently undertaking the role of Monitor and Assessor, and the Director of Energy Planning is undertaking the role of Energy Security Co-ordinator. These roles are being undertaken via administrative arrangements that were implemented to ensure the reporting framework was in place for the 2017-18 summer.

The first annual report was issued in November 2017, and has been followed by monthly 'dashboard' reports on energy security status, as recommended by the Taskforce. The monthly and annual reports are published on the Economic Regulator's website.

While the roles and functions are being fulfilled under administrative arrangements, it is appropriate for there to be a robust legislative basis. This is particularly the case in the event of any emerging energy security situation in the future, so that there is no residual confusion over roles and responsibilities. In particular, the legislation has robust provisions for the protection of confidential, commercially sensitive information that may be required for the Monitor and Assessor to fulfil its responsibilities.

Consequently the Government is now introducing the necessary amendments to the *Energy Co-ordination and Planning Act* to formalise the powers and functions of these two important energy security oversight roles.

In conclusion, I would like to inform the House that in addition to these legislative amendments,

the Department of State Growth has commenced work on a full scale review of the *Electricity Supply Industry Act 1995* and the *Energy Co-ordination and Planning Act 1995*, to be completed during 2019.

This will ensure that Tasmania has an effective and contemporary legislative structure that continues to promote efficiency and competition in the electricity supply industry and provides for a safe and efficient system of electricity generation, transmission, distribution and supply.

Madam Speaker, I commend the Bill to the House.