

## CLAUSE NOTES

### *Electricity Supply Industry Amendment (Price Cap) Bill 2018*

#### PART 1 - PRELIMINARY

- Clause 1 Short title.
- Clause 2 This clause provides that the Act will commence on the day that it receives Royal Assent.

#### PART 2 - ELECTRICITY SUPPLY INDUSTRY ACT 1995 AMENDED

- Clause 3 The *Electricity Supply Industry Act 1995* is the Principal Act for the purposes of Part 2 of the Bill.
- Clause 4 This clause extends the application of the current retail price determination until 30 June 2021.
- Clause 5 This clause inserts a new subclause 5 into section 41 of the *Electricity Supply Industry Act* that provides that the Regulator must not approve standing offer prices submitted to it by a regulated offer retailer unless the prices are no higher than the existing tariffs indexed by the percentage change in the Consumer Price Index for that applicable financial year.

A new subsection 1AA is also inserted which defines that the applicable financial years to which the provision relates are 2018-19, 2019-20 and 2020-21 and also defines the mechanism for how the change in CPI is to be determined.

#### PART 3 - ELECTRICITY SUPPLY INDUSTRY AMENDMENT (PRICING) ACT 2017 AMENDED

- Clause 6 The *Electricity Supply Industry Amendment (Pricing) Act 2017* is the Principal Act for the purposes of Part 3 of the Bill.
- Clause 7 This clause extends the period for which a WEP Order can be made by the Minister under the *Electricity Supply Industry Act* by two years. This clause also extends the requirement for an independent review of the operation of the WEP order provisions in the *Electricity Supply Industry Act* by two years.
- Clause 8 This clause extends the repeal of the Principal Act by two years.

#### PART 4 - REPEAL OF ACT

- Clause 9 This Act will be repealed one year after its commencement.