

CLAUSE NOTES

Electricity Supply Industry Amendment (Pricing) Bill 2017

- Clause 1 Short title
- Clause 2 This Act will commence on the day on which it receives Royal Assent.
- Clause 3 The Principal Act is the *Electricity Supply Industry Act 1995*.
- Clause 4 Inserts the definition of *WEP Order* into the interpretation clause of the Principal Act. The Wholesale Electricity Price (WEP) Order is an order published by the Minister in accordance with the *Rules Publication Act 1953*.
- Clause 5 Replaces the current subsection (3) of section 40AB of the Principal Act with a new subsection that provides two methods for the Tasmanian Economic Regulator to calculate *wholesale electricity costs* as part of the annual approval of regulated standing offer retail tariffs to be applied to residential and small business customers. In the absence of a *WEP Order* the current method based on outcomes from the Wholesale Contract Regulatory Instrument is retained (subsection 3B), but if a *WEP Order* is in effect then the alternative method (subsection 3A) is to be used.
- Clause 6 Inserts a new clause 40ABA into the Principal Act outlining what details should be included within a *WEP Order* and when it should be published in order to be included within annual processes. This new clause also details when a *WEP Order* takes effect, ceases to be in effect and also provides the ability to revoke a *WEP Order*.
- Inserts a new clause 40ABB into the Principal Act ensuring that certain sections of the Regulator's Standing Offer Price Determination 2016 and the associated Guideline do not apply for the setting of standing offer tariffs for the 2017-18 financial year due to inconsistencies between these documents and the intent of the amending legislation.
- Clause 7 The amending Act will be repealed one year after commencement.