THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2010

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be Moved on Behalf of the Government

(Circulated by authority of the Minister for Climate Change, Energy Efficiency and Water, Senator the Honourable Penelope Ying Yen Wong)
OUTLINE

This amendment to the Renewable Energy (Electricity) Amendment Bill 2010 (the Bill) will allow for the Solar Credits multiplier for small generation units to be reduced in circumstances specified by the regulations.

The intention of the Solar Credits multiplier was to provide support to households and others installing small generation units such as solar photovoltaic (solar PV) systems, to contribute to lower greenhouse gas emissions in the electricity sector.

The intent was also that recipients of Solar Credits make a financial contribution towards the cost of their solar PV system. This amendment gives effect to this principle. The intent is that there would be a requirement in the regulations for small generation unit price information to be provided to the Renewable Energy Regulator. The Solar Credits multiplier could be reduced prospectively in circumstances to be set out in the regulations if the Renewable Energy Regulator determines there is systemic evidence of solar PV panels being offered at a level where there is a relatively small or no out-of-pocket expense.

FINANCIAL IMPACT STATEMENT

This amendment will not have a financial impact for the Commonwealth.
SCHEDULE 1 – AMENDMENTS

Item 1 – 119A Subsection 23B(2)

1. This item inserts a new item 119A in the Bill that amends subsection 23B(2) of the Act to insert the words “a number that does not exceed” before the words “multiplied by”. This will allow for regulations to be made to apply a lower Solar Credits multiplier in certain circumstances.