

# Energy Efficiency (Cost of Living) Improvement (Priority Household Target) Determination 2015 (No 1)

Disallowable Instrument DI2015–269

made under the

Energy Efficiency (Cost of Living) Improvement Act 2012, s8 (Priority Household Target)

## Explanatory Statement

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### Overview

Section 6 of the *Energy Efficiency (Cost of Living) Improvement Act 2012* (the Act) provides that one of the key objects of the Act is to increase opportunities for priority households to reduce energy use and costs. This is in line with the Government's commitment to support households particularly vulnerable to rising energy prices.

A key component of the Act that ensures priority households are benefited by the Energy Efficiency Improvement Scheme (Scheme) is the ability of the Minister to set the Priority Household Target (PHT) under Section 8 – determining the proportion of greenhouse gas emissions reductions that must be achieved by Tier 1 NERL retailers in priority households.

Households eligible for 'priority' status are defined in the Dictionary of the Act and may also be added to by regulation.

For the compliance period of 1 January 2016 to 31 December 2016, the target for the proportion of overall abatement that must be achieved in priority households is set at 20 per cent. This number has been set based on a review of the proportion of households claiming energy concessions in the ACT which indicates that at least 20 per cent of ACT households are eligible for Priority Household status.

As the Act has been in force for three years already, a large proportion of priority households have already participated and benefited from the Scheme. As a result, as the Scheme continues it will become increasingly difficult and expensive to reach these households, noting future activities may require a co-contribution which would limit priority households from participating. The Priority Household Target has therefore been reduced from 25 per cent to 20 per cent to limit costs while still ensuring the proportion of households eligible in the ACT eligible for 'priority' status benefit from the scheme.

The potential increased difficulty for NERL retailers in targeting priority households and achieving this target has been factored into the cost for Tier 1 NERL retailers and in determining the Energy Savings Contribution payable by Tier 2 NERL retailers under Section 11 of the Act.

This instrument is made under section 8 of the Act as amended by section 5 of the *Energy Efficiency (Cost of Living) Improvement Amendment Act 2015* (Amendment Act). Section 5 of the Amendment Act is an uncommenced provision. The making of this instrument is done in accordance with section 81 of the Legislation Act. This instrument commences on the day after its notification consistent with section 81 (6) of the Legislation Act.

*Energy Efficiency (Cost of Living) Improvement (Priority Household Target) Determination 2012 (No 1) (DI2012-94), Energy Efficiency (Cost of Living) Improvement (Priority Household Target) Determination 2013 (No 1) (DI2013-229) and Energy Efficiency (Cost of Living) Improvement (Priority Household Target) Determination 2014 (No 1) (DI2014-248) remain in effect for auditing compliance for the respective compliance periods.*