

Climate Change and Greenhouse Gas Reduction (Renewable Energy Targets) Determination 2016

Disallowable instrument DI2016–38

made under the

Climate Change and Greenhouse Gas Reduction Act 2010, s 9 (Renewable Energy Targets)

EXPLANATORY STATEMENT

This explanatory statement relates to the *Climate Change and Greenhouse Gas Reduction (Renewable Energy Targets) Determination 2016* as made by the Minister and presented to the Legislative Assembly. It has been prepared in order to assist the reader of the instrument and to help inform debate. It does not form part of the instrument and has not been endorsed by the Assembly.

The Statement must be read in conjunction with the instrument. It is not, and is not meant to be, a comprehensive description of the instrument. What is said about a provision is not to be taken as an authoritative guide to the meaning of a provision, this being a task for the courts.

Overview

The *Climate Change and Greenhouse Gas Reduction Act 2010* (the Act) sets targets to reduce greenhouse gas emissions and increase renewable energy use in the ACT. The setting of renewable energy targets is intended to be complementary to the greenhouse gas reduction targets established by the Act.

Section 9 of the Act requires the Minister to determine targets for the use or generation of renewable energy in the ACT. Such a determination is a disallowable instrument which must be notified, and presented to the Legislative Assembly, under the *Legislation Act 2001*.

By this instrument, the Minister determines a 100 per cent target for the use of renewable energy (electricity) in the ACT by 2020. The targets have been expressed in terms of electricity usage to ensure consistency with the general usage of the term ‘renewable energy’.

The renewable energy target will be measured and reported through the ACT Greenhouse Gas Inventory based on the associated methodology as specified in s12 of the Act. The key principle adopted by the Government in determining what sources of renewable energy count towards the target is that of ‘financial responsibility’. That is, the Territory can only claim the renewable energy where it pays the subsidy required to bring the renewables online.

Sources of renewable electricity generation, that the ACT is financially supporting, include:

- ACT GreenPower
- ACT share of legacy (below Large-scale Renewable Energy Target (LRET) baseline) renewable generation
- ACT share of LRET generation
- ACT rooftop photovoltaics (PV)
- ACT large renewable generation supported by a Territory Feed-in Tariff, where large-scale generation certificates are created and transferred to the Territory for all eligible generation.

In order to meet the Territory's 2020 greenhouse gas reduction target under s7 of the Act, the ACT Government estimates that the Territory will need to displace approximately 100 per cent of its electricity demand from the National Electricity Market with emissions-free renewable energy generation, outlined above.

This disallowable instrument does not engage or limit anyone's human rights. This disallowable instrument is not likely to impose appreciable costs on the community, or part of the community and therefore a regulatory impact statement is not required (*Legislation Act 2001* (s34(1))). Further, a regulatory impact statement is unnecessary as the disallowable instrument does not operate to the disadvantage of anyone by adversely affecting the person's rights, or imposing liabilities on the person (s36(1)(b) *Legislation Act*).

Implementation of future Government decisions to meet the 100 per cent renewable energy target may impose costs on the community. Regulatory impact analyses would be prepared for those decisions.

Outline of provisions

Section 1 – Name of instrument

This section provides the name of the instrument.

Section 2 – Commencement

This section provides the date of commencement of the instrument is the day after notification.

Section 3 – Determination of renewable energy target

By this section the Minister determines a 100 per cent target for the use of renewable energy (electricity) in the ACT by 2020.

Section 4 – Revocation

This section revokes the previous disallowable instrument which determined a 90 per cent target for the use of renewable energy (electricity) in the ACT by 2020.