

2019

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**Climate Change and Greenhouse Gas Reduction (Renewable Electricity
Target) Amendment Bill 2019**

EXPLANATORY STATEMENT

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EXPLANATORY STATEMENT

This explanatory statement relates to the *Climate Change and Greenhouse Gas Reduction (Renewable Electricity Target) Amendment Bill 2019* (the Bill) as presented to the ACT Legislative Assembly. It has been prepared in order to assist the reader of the Bill and to help inform debate on the Bill. It does not form part of the Bill and has not been endorsed by the Legislative Assembly.

The explanatory statement must be read in conjunction with the Bill. It is not, and is not meant to be, a comprehensive description of the Bill. 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.

Background

The *Climate Change and Greenhouse Gas Reduction Act 2010* (the Act) sets targets to reduce greenhouse gas emissions in the ACT.

Section 6 sets a principle greenhouse gas reduction target, and provides the Minister the power to set interim targets.

Section 9 requires the Minister to determine, via a disallowable instrument, targets for the use or generation of renewable energy in the ACT. Under this section, the Minister has determined a 100 per cent renewable energy (electricity) target for 2020.

Section 11 requires the Minister to determine a method for measuring greenhouse gas emissions. However, it provides no equivalent requirement to determine a method for measuring renewable energy amount or percentage.

Section 12 requires the Minister to ask an independent entity to prepare a report about the greenhouse gas emissions and renewable energy targets. However, this section does not clearly identify what must be reported on for the renewable energy targets.

Overview of the Bill

The Bill amends the Act to legislate an ongoing 100 per cent renewable electricity target post-2020.

The Bill further strengthens this commitment by setting it in primary legislation rather than by an instrument. Currently, the renewable electricity target is set by the Minister for Climate Change and Sustainability via a disallowable instrument (s 9) whereas emissions targets are set in the Act (s 6).

The Bill also enables the Minister to provide a clearer summary of progress against the renewable energy targets in the Minister’s annual report under the Act. While the Act currently requires the Minister to determine a method for measuring greenhouse gas emissions, there is no similar requirement to determine a method of measuring progress towards renewable energy targets set under the Act.

In addition, while the Act currently requires an analysis of progress in meeting emissions reduction and renewable energy targets via the Minister’s annual report, it does not specify how this should be undertaken for renewable energy targets, as it does for the emissions reduction targets.

Provisions in detail

Clause 1 Name of Act

This clause sets out the name of the Act as the *Climate Change and Greenhouse Gas Reduction (Renewable Electricity Target) Amendment Act 2019*.

Clause 2 Commencement

This clause sets out that the *Climate Change and Greenhouse Gas Reduction (Renewable Electricity Target) Amendment Act 2019* will commence on the day after its notification day.

Clause 3 Legislation amended

This clause specifies that the *Climate Change and Greenhouse Gas Reduction Act 2010* is being amended.

Clause 4 Legislation repealed

This clause repeals the *Climate Change and Greenhouse Gas Reduction (Renewable Energy Targets) Determination 2016* in which the current renewable energy (electricity) target is set by the Minister. This instrument is no longer required as the target is being set directly in the *Climate Change and Greenhouse Gas Reduction Act 2010* by clause 7 of this Act.

Clause 5 Objects of Act Section 5 (a)

This clause amends the Objects of the Act to clarify the ACT’s renewable energy does not need to be generated in the ACT. This aligns with the ACT Government’s existing renewable electricity auctions, which required the generators to be connected to the ACT’s local electricity network via the National Electricity Market, without requiring the generators to be located in the ACT.

Clause 6 Section 5 (b)

This change provides the same clarification as clause 5, and aligns the Act with the ACT Government’s existing renewable electricity auctions, which required the generators to be connected to the ACT’s local electricity network via the National Electricity Market, without requiring the generators to be located in the ACT.

Clause 7 Renewable energy targets
Section 9 (1)

This clause establishes the renewable electricity target, replacing the renewable energy (electricity) target currently set by determination. The clause specifies that the target is on and from 1 January 2020, providing a legislative commitment to both reach and maintain the target.

This clause also retains the legislative power under which the Minister may determine a target for renewable energy, other than renewable electricity. This is a power that the Minister currently has, although this power has never been used to establish other renewable energy targets.

For example, this clause ensures the Minister continues to have the legislative power to enact a renewable energy target applying to another type of energy, such as liquid fuels or gas.

Clause 8 New Section 10

This clause establishes a requirement for the Minister to specify how the renewable energy amount and percentage are to be measured, and will feed into the Annual report requirements in clause 9. This ensures consistency with the requirement established in section 11 of the *Climate Change and Greenhouse Gas Reduction Act 2010* for measuring greenhouse gas emissions.

Clause 9 Annual report by independent entity
Section 12 (2) (b)

Clauses 9, 10, 11 and 12 provide additional clarity around the annual reporting of targets. The requirements for the annual report in the existing legislation are primarily focused on the greenhouse gas emissions targets. The Bill separates the annual reporting requirement for the greenhouse gas target and the renewable energy targets by moving the renewable energy target reporting to a newly created section 12 (2) (ba), and provides additional clarification on the detail that is required for the renewable energy targets.

This clause removes reference to the renewable energy targets from section 12 (2) (b), as they will be covered elsewhere in the Act.

Clause 10 Section 12 (2) (b) (i)

This clause removes reference to the renewable energy targets from section 12 (2) (b) (i), as they will be covered elsewhere in the Act.

Clause 11 Section 12 (2) (b) (iii)

This clause brings the wording of section 12 (2) (b) (iii) in line with section 12 (1) and is intended to clarify and remove the potential for misinterpretation.

Clause 12 Section 12 (2) (ba)

This clause establishes clear requirements on reporting progress in meeting the renewable energy targets. This clause is needed as the requirement to report on progress towards renewable energy targets is removed from the Act by clauses 9 and 10.