

Energy Efficiency (Cost of Living) Improvement (Priority Household Target) Determination 2024

Disallowable instrument DI2024–272

made under the

Energy Efficiency (Cost of Living) Improvement Act 2012, s 8 (Priority household target)

EXPLANATORY STATEMENT

Introduction

This explanatory statement relates to the *Energy Efficiency (Cost of Living) Improvement (Priority Household Target) Determination 2024* (the **Determination**) as presented to the Legislative Assembly. It has been prepared to assist the reader of the Determination. It does not form part of the Determination and has not been endorsed by the Assembly.

This explanatory statement clarifies the intent of the Determination and must be read in conjunction with the Determination. It is not, and is not intended to be, a comprehensive description of the Determination.

Overview

The *Energy Efficiency (Cost of Living) Improvement Act 2012* (the **Act**) requires National Energy Retail Law (**NERL**) retailers to achieve energy savings in households and small-to-medium enterprises. The purpose is to help households and businesses reduce emissions associated with energy use and reduce energy use and costs, which is key for delivering on the ACT's emission reduction targets.

Under section 8(1) of the Act:

- the Minister must determine a priority household target (a **PHT**) for the total energy savings to be achieved by tier 1 NERL retailers undertaking eligible activities¹ at priority households;
- the PHT must be expressed as a percentage of the retailer's energy savings obligation of tier 1 NERL retailers in the ACT; and
- the PHT only applies for the relevant calendar year (as per the definition of **compliance period** in section 12 of the Act).

¹ Eligible activities are determined pursuant to section 10 of the Act.

The Determination sets the PHT at 40 per cent for 1 January 2025 to 31 December 2025. This target is consistent with the value set for the 2023 and 2024 compliance periods. The aim of the PHT is to ensure that a proportion of the prescribed energy savings target is met through activities administered in priority households. As required by section 8 (2) (b) of the Act, the Determination is being made at least 3 months before the start of the compliance period on 1 January 2025.

Previous year's Priority Household Target Determinations remain in effect to permit auditing compliance of past compliance periods.

Human Rights

The Determination does not engage human rights under the *Human Rights Act 2004*.

Regulatory Impact Statement (RIS)

Section 34 of the *Legislation Act 2001* provides that if a proposed subordinate law or disallowable instrument (the proposed law) is likely to impose appreciable costs on the community, or a part of the community, then, before the proposed law is made, the Minister administering the authorising law must arrange for a RIS to be prepared for the proposed law. A RIS has been prepared for the Determination.

Scrutiny of Bills Committee Terms of Reference

The Determination is consistent with the Legislative Assembly's Scrutiny of Bills Committee Terms of Reference. In particular, the Determination:

1. is in accordance with the general objects of the Act.
2. Does not unduly trespass on rights previously established by law.
3. Does not make rights, liberties and/or obligations unduly depended upon non-reviewable decisions.