

# Energy Efficiency (Cost of Living) Improvement (Priority Households) Determination 2024

Disallowable instrument DI2024–268

made under the

Energy Efficiency (Cost of Living) Improvement Act 2012, s7A (Priority households)

## EXPLANATORY STATEMENT

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### Introduction

This explanatory statement relates to the *Energy Efficiency (Cost of Living) Improvement (Priority Household) Determination 2024* (the **Determination**). 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 electricity retailers to achieve energy savings in households and small-to-medium enterprises. It is a key mechanism for delivering on the ACT's emission reduction targets by helping households and businesses reduce emissions and energy costs. The objects of the Act are to:-

- a) encourage the use of energy efficiency;
- b) reduce greenhouse gas emissions associated with energy use in the Territory;
- c) reduce household and business energy use and costs; and
- d) increase opportunities for priority households to reduce energy use and costs.

Section 7A of the Act provides the Minister must determine priority households for the Act.

Defining priority households in a disallowable instrument provides the Minister flexibility to review, add or remove eligible classes of households to the scheme. This allows the ability to respond to community feedback in a timely manner and to increase opportunities to reduce energy use as they arise. The Determination supports the operation of the Energy Efficiency Improvement Scheme (EEIS).

Two additional classes of priority households are added to the priority households prescribed in Schedule 1 of the Determination as follows:

- s1(j) - people actively participating in an energy retailer's payment plan (offered and applied as per section 50 of the *National Energy Retail Law (ACT)*). This section covers payment plans being offered to hardship customers and other residential customers experiencing payment difficulties.
- s1(k) - people with a residential tenancy agreement with the landlord of the premises and the rent for the premises is \$660 or less per week. This section covers all rental properties that fall into the category of being considered affordable, under the ACT Housing Strategy, at the top of the ACT 2<sup>nd</sup> income quintile based on figures to June 2023.

### **Human Rights**

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

### **Regulatory Impact Statement (RIS)**

Section 34 of the *Legislation Act 2001* (the ***Legislation Act***) 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 is not required in this instance as this instrument does not impose appreciable costs on the community or part of the community. This Determination amends the previous determination by adding two new classes of priority household. This has the effect of increasing the size of the priority household cohort, which will make it easier for obligated parties to continue to meet their obligations under the Act. Further, a RIS is not required because it does not adversely affect rights or impose liabilities on a person (section 36 (1) (b) of the *Legislation Act*).

### **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.