

Australian Capital Territory

# Electricity Feed-in (Renewable Energy Premium) (Normal Cost of Electricity Calculation Methodology) Guideline 2026

Disallowable instrument DI2026-73

made under the

Electricity Feed-in (Renewable Energy Premium) Act 2008, s 6A (What is the *normal cost of electricity*?)

## EXPLANATORY STATEMENT

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### Introduction

This explanatory statement relates to the *Electricity Feed-in (Renewable Energy Premium) (Normal Cost of Electricity Calculation Methodology) Guideline 2026* as made by the Minister for Climate Change, Environment, Energy and Water and presented to the Legislative Assembly (the *Assembly*). It has been prepared in order to assist the reader of the instrument. It does not form part of the instrument and has not been endorsed by the Assembly.

### Overview

The *Electricity Feed-in (Renewable Energy Premium) Act 2008* (the *Act*) establishes a scheme for payments to ACT households and businesses generating renewable energy and to encourage the adoption of small-to-medium scale renewable energy systems, particularly rooftop solar photovoltaic (PV) systems, referred to as the Small and Medium Feed-in Tariff Scheme.

Section 6A of the Act allows the Minister to determine an amount to be the *normal cost of electricity (NCE)* for a reporting period, and to determine a guideline used to calculate the NCE. Pursuant to section 6A (4) of the Act, such a guideline is a disallowable instrument.

This guideline is made to adopt a revised methodology for calculating the NCE. The update is required to ensure the methodology remains accurate and reflects current market conditions in the Territory.

### Human Rights

During the development of this instrument due regard was given to its engagement with rights under the *Human Rights Act 2004* (the *HR Act*). This instrument engages and supports the right to a clean, healthy and sustainable environment by ensuring the continued accuracy and financial viability of the ACT's renewable energy schemes.

By providing a clear and precise framework for the NCE calculations, the instrument facilitates the Territory's transition to net zero emissions and the overall reduction of greenhouse gas emissions.

### **Climate Impact**

The update to the NCE methodology in the guideline is a technical and administrative adjustment. It supports the effective administration of the Act, which is a key component of the ACT's renewable energy policy framework.

By ensuring the accuracy of the NCE calculations, the instrument facilitates the continued stability of the Territory's renewable energy schemes. This instrument is not expected to have any adverse impact on the ACT's greenhouse gas emissions or the achievement of the Territory's 100% renewable electricity target.

### **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 as this instrument does not impose appreciable costs on the community or a part of the community (see s 34 (1), *Legislation Act*). Further, the updated methodology used to calculate the NCE does not operate to the disadvantage of anyone by adversely affecting their rights or imposing liabilities on the person (see s 36 (1), *Legislation Act*).