

EXPLANATORY STATEMENT

Select Legislative Instrument 2009 No. 131

Renewable Energy (Electricity) Act (2000)

Renewable Energy (Electricity) Regulations 2001

Renewable Energy (Electricity) Amendment Regulations 2009 (No. 1)

Section 161 of the *Renewable Energy (Electricity) Act 2000* (the Act) provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

A new company called the Australian Energy Market Operator (AEMO) is to be established on 1 July 2009 as the new operator of the national energy market, which will incorporate electricity and gas markets in all jurisdictions except the Northern Territory and Western Australia. AEMO will assume the responsibilities of existing market operators including the current national electricity market operator, the National Electricity Market Management Company (NEMMCO). AEMO will be formed by taking over the corporate structure of NEMMCO.

The *Renewable Energy (Electricity) Regulations (2001)* (the Principal Regulations) include references to NEMMCO. The purpose of the proposed Regulations is to amend the Principal Regulations to replace references to NEMMCO with references to AEMO.

These amendments will reflect the replacement of NEMMCO with AEMO and AEMO's adoption of all responsibilities of NEMMCO.

Details of the proposed Regulations are set out in the Attachment.

The Act specifies no conditions that need to be satisfied before the power to make the proposed Regulations may be exercised.

The proposed Regulations would be a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The proposed Regulations would commence on commencement of items 7 to 11 of Schedule 1 to the *Australian Energy Market Amendment (AEMO and Other Measures) Act 2009*. Commencement of these items will make similar consequential amendments to the Act, defining AEMO and replacing references to NEMMCO with references to AEMO.

Consultation for this legislative instrument was undertaken with the Minister for Climate Change.

ATTACHMENT**Details of the proposed *Renewable Energy (Electricity) Amendment Regulations 2009 (No. 1)*****Regulation 1 – Name of Regulations**

This regulation provides that the title of the Regulations is the *Renewable Energy (Electricity) Amendment Regulations 2009 (No. 1)*.

Regulation 2 – Commencement

This regulation provides for the Regulations to commence on the day on which items 7 to 11 of Schedule 1 to the *Australian Energy Market Amendment (AEMO and Other Measures) Act 2009* commence.

Regulation 3 – Amendment of *Renewable Energy (Electricity) Regulations 2001*

This regulation provides that the *Renewable Energy (Electricity) Regulations 2001* (the Principal Regulations) are amended as set out in the Schedule.

Schedule – Amendments**Item [1] – subregulation 14(1), definition of *MLF***

Subregulation 4(2) contains a definition of *MLF* which includes a reference to ‘NEMMCO’. This reference is to be deleted and replaced with a reference to ‘AEMO’.

Item [2] – paragraph 21(1)(a)

Paragraph 21(1)(a) contains a number of references to ‘NEMMCO’. These references are to be deleted and replaced with references to ‘AEMO’.

Item [3] – subparagraph 21(1)(b)(i)

Subparagraph 21(1)(b)(i) contains a reference to ‘NEMMCO’. This reference is to be deleted and replaced with a reference to ‘AEMO’.

Item [4] – paragraph 24(1)(j)

Paragraph 24(1)(j) contains a reference to ‘NEMMCO’. This reference is to be deleted and replaced with a reference to ‘AEMO’.

Item [5] – paragraph 25(1)(d)

Paragraph 25(1)(d) contains a reference to ‘NEMMCO’. This reference is to be deleted and replaced with a reference to ‘AEMO’.