

OFFICIAL

Environment, Planning and Sustainable Development Directorate

To: Minister for Water, Energy and Emissions Reduction

Tracking No.: 21/148876

Date: 8 February 2022

From: Executive Group Manager, Climate Change and Energy Policy

Subject: Feed-in Tariff contracts update

Critical Date: 21 February 2022

Critical Reason: To allow further work to progress on this matter if required

- DDG, Environment, Water and Emissions Reduction 8/2/22

Recommendations

That you:

1. **Note** the advice provided by the ACT Government Solicitor at Attachment A; and
Noted / Please Discuss
2. **Agree** not to pursue amendments to the Deeds of Entitlement at this time.
Signed / Not Signed / Please Discuss

Shane Rattenbury MLA  1/3/22

Minister's Office Feedback

Background

1. Between 2011 and 2020, the ACT Government entered into 11 Deeds of Entitlement (the Deeds) with large-scale renewable electricity generators to secure the majority of the generation required to meet the ACT’s 100% renewable electricity target.
2. The costs associated with the Deeds and securing the renewable electricity generation are passed through to the ACT’s electricity consumers and reflected in their electricity bills under network distribution charges.
3. In the coming years, there are likely to be several crucial changes to the National Electricity Market (NEM) that will have a significant impact on the cost of renewable electricity. These changes include:
 - The introduction of a capacity mechanism into the NEM. This will be a fundamental change to how the price of renewable electricity is set;
 - The New South Wales Government adopting a contracting approach in its Electricity Infrastructure Roadmap in response to spot price, market instability and system insecurity. This will impact the price of renewable electricity in the ACT;
 - The share of renewables in the electricity market is expected to reach 79% by 2030; and
 - The high penetration of distributed energy resources in the NEM.
4. Additionally, the increasing supply of variable renewable generation is leading to lower spot prices across Australia. Due to the contract-for-difference mechanism in the Deeds, lower spot prices result in higher payments to the generators and subsequently higher costs passed through to ACT electricity consumers. It is important to note, however, that the current pass-through cost of the scheme to average Canberra household (around \$5.65 per week per household) is comparable to the estimate made when the scheme was initiated.
5. As such, the Environment, Planning and Sustainable Development Directorate (EPSDD) requested the ACT Government Solicitor (ACTGS) consider what impact national changes in the electricity market will have on consumers, and whether there are sufficient grounds to require elements of the Deeds, including agreed prices, to be renegotiated.

Issues

6.

7.



Recommendation

13. Given that the Deeds do not contain a mandatory price review mechanism to allow changes to the fixed FiT prices, and the significant issues noted with the three other possible options for amending the Deeds, EPSDD does not recommend pursuing amendments to the Deeds or further legal advice on this matter at this time.

Financial Implications

14. There are no financial implications associated with this brief. Should the ACT choose to pursue options to amend the Deeds, there will likely be cost implications for ACT electricity consumers.

Consultation

Internal

15. No internal consultation was required for this brief.

Cross Directorate

16. The ACTGS provided the advice discussed in this brief and at Attachment A.

External

17. No external consultation was required for this brief.

Work Health and Safety

18. There are no work, health and safety implications associated with this brief.

Benefits/Sensitivities

- 19. The large-scale renewable electricity generators secure the majority of the generation required to meet the ACT’s 100% renewable electricity target, allowing the ACT to be one of the world leaders in climate action.
- 20. Rising electricity costs, and the costs associated with the ACT’s climate policies, may lead to increased scrutiny.

Communications, media and engagement implications

- 21. There are no media implications associated with this brief.

Signatory Name: Fiona Wright Phone: 6207 9780
Action Officer: Maryam Khazaeli Dobson Phone: 6205 4282

Attachments

Attachment	Title
Attachment A	Advice from the ACT Government Solicitor

OFFICIAL

Environment, Planning and Sustainable Development Directorate

To: Minister for Water, Energy and Emissions Reduction

Tracking No.: 21/154838

Date: 16 February 2022**From:** Executive Group Manager, Climate Change and Energy**Subject:** Determination of the Feed-in Tariff Support Payments for 2020-23**Critical Date:** 22 February 2022**Critical Reason:** To comply with the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011*, your determination must be made and published within two months from the ACT electricity distributor's application (23 February 2022).

- Deputy Director-General, Environment, Water and Emissions Reduction .../.../...

Recommendations

That you:

1. **Note** the information contained in this brief;

Noted / Please Discuss

2. **Sign** the Notifiable Instrument at Attachment D; and

Signed / Not Signed / Please Discuss

3. **Sign** the reply letter to the Chief Executive Officer of Evoenergy at Attachment E.

Signed / Not Signed / Please Discuss

Shane Rattenbury MLA 22/2/22

Minister's Office Feedback

Background

1. The ACT's large-scale feed-in tariff (FiT) scheme (the Scheme) pays renewable generators to meet the Territory's 100% renewable electricity target. The ACT electricity distributor, Evoenergy, administers these payments.
2. In its administration of the Scheme, Evoenergy must recover the costs from ACT electricity consumers. Under section 20C(2) of the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011* (the Act), you are required to determine an amount payable to Evoenergy that will not financially disadvantage ACT electricity consumers nor the ACT energy distributor. This is referred to as a Reasonable Cost Determination (RCD).
3. In its RCD applications, Evoenergy includes payment to the large FiT generators and the administrative cost of the Scheme. Also included is the amount Evoenergy will need to recover, or return, based on the difference between the previous years' forecast figures and the actual figures calculated in arrears, and any accumulated interest.
4. Evoenergy must make its RCD application to you by 31 December each year. Under section 20C(1) of the Act, your determination must be made within two months from the day Evoenergy makes its application. If no decision is made by then, the Scheme's costs will be the amount requested in Evoenergy's RCD application.

Issues





Financial Implications

10. The costs of the Scheme are paid for by ACT electricity consumers as part of the network component of their electricity bill.

Consultation

Internal

11. The EPSDD Legal team was consulted regarding the drafting of the Notifiable Instrument.

Cross Directorate

12. No cross-directorate consultation was required for this brief.

External

13. Evoenergy made its 2022-23 RCD application following consultation with EPSDD.

Work Health and Safety

14. There are no work, health and safety implications associated with this brief.

Benefits/Sensitivities

15. Based on tools available to EPSDD, the calculation suggests this determination may decrease the cost of the FiT for an average Canberra household from \$5.65 per week to \$4.28 per week, noting that in 2020-21 the Australian Energy Regulator's jurisdictional snapshot reduced the annual average use of electricity in a representative household from 7.151MWh to 6.370MWh per year, which has also impacted the figure.

Communications, media and engagement implications

16. Making Evoenergy's RCD for 2022-23 is unlikely to attract media attention.

Signatory Name: Fiona Wright Phone: 6207 9780
Action Officer: Maryam Khazaeli Dobson Phone: 6205 4282

Attachments

Attachment	Title
Attachment A	Evoenergy 2022-23 RCD application - 23 December 2021
Attachment B	Evoenergy 2022-23 RCD application – update on 31 January 2022
Attachment C	Evoenergy 2022-23 RCD application – update on 14 February 2022
Attachment D	2022-23 Notifiable Instrument for Reasonable Costs Determination
Attachment E	Response – [REDACTED], Evoenergy's application for Reasonable Cost Determination

Environment, Planning and Sustainable Development Directorate**To:** Minister for Water, Energy and Emissions
Reduction

Tracking No.: 22/19034

Date: 24/02/2022**From:** Executive Group Manager, Climate Change and Energy**Subject:** Listening Report on consultation conducted for the Minimum Energy
Efficiency Standard for Rental Homes regulation**Critical Date:** 11/03/2022**Critical Reason:** To allow for the public release of the Listening Report on the ACT
Government YourSay website by mid-March.

- DDG, Environment, Water and Emissions Reduction 4/3/2022
- EBM, Climate Change and Energy Policy 25/02/2022

Recommendations

That you **agree** to the public release of the Listening Report (Attachment A) on the proposed Minimum Energy Efficiency Standard for ceiling insulation in rental properties.

Agreed / Not Agreed / Please Discuss

Shane Rattenbury MLA

13/3/22

Minister's Office Feedback

Background

1. On 1 November 2021 you agreed for Environment, Planning and Sustainable Development Directorate (EPSDD) to conduct a second round of public consultation on the proposed regulation for a minimum energy efficiency standard for ceiling insulation for rental homes in the ACT ([21/83354](#)).
2. The preferred minimum standard will require rental dwellings with lower than R2 ceiling insulation to install or upgrade to a minimum of R5 ceiling insulation (the R-value being a measure of the thermal performance of the insulation).
3. EPSDD conducted public consultation from 8 November 2021 to 19 December 2021. A Consultation Paper was released through the YourSay website and responses were invited by written submission or through two separate surveys, one for renters and one for rental providers. EPSDD also held online workshops with stakeholder organisations.

Issues

4. EPSDD has prepared a Listening Report ([Attachment A](#)) summarising the feedback received during the consultation period outlined above.
5. EPSDD is seeking your approval to publicly release the Listening Report on the YourSay website.

Listening Report

6. EPSDD held 12 online workshops and meetings with 21 key external stakeholder organisations from the insulation and electrical industry, renter and community advocacy groups and rental provider organisations. EPSDD also received 18 written submissions, mostly from these key stakeholder organisations. A total of 134 survey responses were received – 95 from renters and 39 from rental providers.
7. Participants were asked their views on the proposed standard and how they thought the government should approach key implementation issues. The questions asked were broadly grouped under nine themes:
 - a. Support for the standard
 - b. Government assistance (financial and non-financial)
 - c. Exemptions
 - d. Compliance (phase-in period and compliance triggers)
 - e. Complementary measures
 - f. Safety measures
 - g. Installation quality assurance
 - h. Monitoring and enforcement
 - i. Evaluation and review.

Support for the standard

8. There was overall support for the standard from those engaged. The YourSay survey results showed and 95 percent of renter respondents supported the standard.
9. Several renter and community advocacy groups expressed a strong desire for a more ambitious pathway for future minimum standards for rental properties to be announced. They considered the proposed minimum standard a first step but wanted all rental properties to meet a minimum of R5 ceiling insulation and for energy efficient heating, such as reverse-cycle air conditioners, to also be mandated as a minimum standard.

10. The Real Estate Institute of the ACT (REIACT) and some community housing providers expressed concern that rental providers may be unable to bear increased costs and may increase rents or remove their property from the rental market, both of which could adversely affect the market.
11. Consultation with the Owners Corporation Network and the Ratepayers Association of the ACT, both represented by rental providers, did not reflect this view. Both organisations expressed that compliance with the proposed minimum standard was a reasonable upgrade for rental providers to make for the comfort of their tenants.

Compliance

12. There was overall support for mandatory disclosure of whether a rental property meets the minimum standard to prospective tenants from all groups engaged. 62 percent of rental providers and 72 percent of renters who completed the survey said that disclosure should be required both when a property is advertised for rent and before a potential tenant signs the lease.
13. However, there were differing views on what documentary evidence would be sufficient to demonstrate compliance or a valid exemption. Industry groups and renter and community advocacy organisations supported third party evidence from relevant qualified tradespeople, whereas REIACT and some rental provider organisations thought a statutory declaration would be sufficient.
14. There was no consensus on the length of the phase-in period:
 - a. It was noted that a longer five-year phase-in period would assist in ensuring a better spread of demand for tradespeople and materials supply and would assist in protecting against risk, such as quality and safety outcomes.
 - b. However, renter and community advocates highlighted that these safety concerns also needed to be balanced with the immediate needs of renters for upgrades to receive the benefits from the minimum standard. This is reflected in the survey results with 72 percent of renters supporting a two-year phase-in period.
 - c. The need for a longer phase-in period was emphasised by Housing ACT due to the volume of their rental housing stock that would require upgrading to be compliant with the minimum standard. Housing ACT also highlighted that this is complicated by the difficulty they experience in receiving consent from some, often vulnerable, tenants to access the properties for maintenance and upgrades. Concerns about obtaining tenant consent for necessary maintenance and repairs were echoed by REIACT as a complicating factor for rental providers trying to comply with the standard that should be considered.

Financial Implications

15. Nil.

Consultation

Internal

16. Planning and Urban Policy and the Climate Change and Energy Households Programs.

Cross Directorate

17. Justice and Community Safety (Civil and Regulatory Law); Chief Minister, Treasury and

Economic Development Directorate (Treasury, Cabinet and Policy, Office of Climate Action, Access Canberra); Community Services Directorate (Housing ACT); ACT Civil and Admirative Tribunal (ACAT).

External

18. Community and renter advocacy groups: ACT Council of Social Service, Better Renting, Care Financial Counselling, St Vincent de Paul Society ACT, Healthy Homes for Renters, Conservation Council ACT, ACT Shelter, Legal Aid ACT and Canberra Community Law.
19. Industry groups: Energy Efficiency Council, Insulation Australasia, Insulation Council of Australia and New Zealand, Australian Building Sustainability Association, Master Electricians Australia, and the National Electrical Contractors Association.
20. Rental provider and community housing organisations: Real Estate institute ACT, Rentwell (YWCA), CHC Australia, Owners Corporation Network of the ACT, ACT Property Law Committee (ACT Law Society) and the Ratepayers Association of the ACT, Inc.

Work Health and Safety

21. Nil.

Benefits/Sensitivities

22. The Listening Report will accurately and factually inform the community of the range of feedback received. It includes some feedback which is critical of the standard. There is a risk that this information could invite further criticism of the proposed approach.
23. The YourSay surveys had a relatively low response rate and thus cannot be considered representative of the views of the Canberra community. Given the high profile of the minimum standard to be introduced, the low survey response rate may also be criticised.
24. Many renters and community advocacy groups provided feedback calling for a “tough” approach to be taken on compliance and enforcement of the standard. This included suggestions for greater resourcing for Access Canberra for compliance auditing, rather than the onus on renters to seek recourse through ACAT. However, an initial “light touch” approach to compliance is proposed and compliance will be monitored with the regulation to determine if stronger measures are required (22/053/CAB). This approach may be criticised by the community advocacy sector.

Communications, media and engagement implications

25. A high-level communication plan for the leadup to the introduction of the regulation has been provided in Cabinet Submission (22/053).
26. The results of the consultation, as summarised in the Listening Report, may generate media coverage of community and stakeholder views on the minimum standard.

Signatory Name:	Fiona Wright	Phone:	6207 9780
Action Officer:	Perry Wiles	Phone:	6207 6742

Attachments

Attachment	Title
Attachment A	Listening Report

Environment, Planning and Sustainable Development Directorate

To: Minister for Water, Energy and Emissions
Reduction

Tracking No.:22/19738

Date: 1 March 2022

From: Executive Group Manager, Climate Change and Energy

Subject: Reverse auction Large-scale Generation Certificate transfer deed variations

Critical Date: 10 March 2022

Critical Reason: To approve a change in the scheduling of Large-scale Generation Certificates in order to acquit the Renewable Electricity target within the financial year.

- DDG, Environment, Water and Emissions Reduction 1/3/22

Recommendations

That you **sign** the deeds of variations at Attachments A-E.

Signed / Not Signed / Please Discuss

Shane Rattenbury MLA

6/3/22

Minister's Office Feedback

Background

1. Large-Scale Generation Certificates (LGCs) are credits for the generation of renewable electricity under the Commonwealth's Large-Scale Renewable Energy Target with one LGC being equal to the creation of one megawatt hour of renewable electricity.
2. The ACT creates LGCs from its investments in renewable electricity generation projects. LGCs are transferred to the Territory by large-scale renewable generators supported by the ACT's renewable electricity auctions.
3. The practice of acquitting LGCs by 30 June each year ensures good carbon accounting practice and the transparent public acquittal of the ACT Government's world-leading renewable electricity target.
4. On 16 June 2021 Cabinet agreed to an ongoing policy of surrendering an estimated amount of LGCs, based on available data, by 30 June in each compliance year to acquit the Territory's 100% renewable electricity target in that year (21/163). It was also agreed that any excess LGCs would be held in an operating reserve in the Renewable Electricity Certificates Registry and be available for future compliance.
5. Maintaining an LGCs operating reserve ensures that future renewable electricity target obligations should always be met, particularly in years of lower-than-expected output from renewable generators, or increased electricity demand in the ACT.
6. Under the existing Deeds of Entitlement with renewable energy generators LGCs are received within three months of the end of the financial year in which they were generated.
7. In December 2021, you signed eight Deeds of Variation concerning LGC transfers for renewable energy generators (21/84442). Attachments A-E are the remaining five generators that require a deed variation.

Issues

8. To acquit the 100% renewable electricity target before the end of a compliance year, a sufficient volume of LGCs must be received and surrendered prior to 30 June. This requires a change to the scheduling of LGC transfers with all renewable energy generators.
9. Renewable energy generators are currently allowed three months to transfer LGCs to the Territory. Feedback from some generators shows a preference to continue to allow three months for the LGC transfer.
10. Reconciling and validating the LGC volumes to be transferred by Environment, Planning and Sustainable Development Directorate (EPSDD) is made more straightforward if the time period coincides with the end of a financial quarter.
11. The proposed new schedule for LGC transfers is by 31 March each year for the prior calendar year in which the eligible electricity is generated. This aligns with the end of a financial quarter and will allow generators and EPSDD ample time to transfer and surrender LGCs to acquit the renewable electricity target before the end of the financial year.
12. The proposed change in schedule for LGC transfers will result in a lower balance of LGCs that could otherwise be available to the Territory at the end of a financial year. However, with the existing LGC balance, the LGC supply forecast from existing generators and new generators from the 2019 reverse auction, there will be sufficient LGCs to acquit the 100% renewable electricity target over the coming years.
13. Changing the scheduling of LGC transfers requires a deed variation and the agreement of the Minister for Water, Energy and Emissions reduction. In some cases, the Deeds of Variation (Attachments A-E) also include:

UNCLASSIFIED

- a. changes to the Nominated Personnel of renewable energy generators, or
- b. the inclusion of a provision clarifying that minor amendments can be approved by the Territory, and significant variations must be approved by the Minister.

Financial Implications

14. Current policy is for the ACT Government to surrender all LGC holdings in order to acquit its legislated 100% renewable electricity target. This assumes nil financial impact each year from 2020-21 onwards, with right-to-receive revenue matching surrender expense.
15. There are therefore no financial impacts arising from this submission.

Consultation

Internal

16. EPSDD Energy Policy staff were consulted and agreed to the proposed variations.

Cross Directorate

17. No Cross Directorate consultation was required.

External

18. All reverse auction generators with existing Deeds of Entitlement were consulted and have either signed the variation or indicated their willingness to sign subject to their internal approval process.

Work Health and Safety

19. There are no work health and safety implications associated with this brief.

Benefits/Sensitivities

20. Signing the deeds of variation will support EPSDD in acquitting the renewable electricity target in alignment with best practice carbon accounting before the end of each financial year.

Communications, media and engagement implications

21. This information brief is unlikely to attract mainstream media attention.

Signatory Name: Fiona Wright Phone: 6207 9780
Action Officer: Mark Shorter Phone: 6207 8805

Attachments

Attachment	Title (hard copy of deeds have already been provided to the MO)
Attachment A	Deed of Variation – Royalla
Attachment B	Deed of Variation – Mugga Lane
Attachment C	Deed of Variation – Coonooer Bridge Farm
Attachment D	Deed of Variation – Ararat
Attachment E	Deed of Variation – Sapphire

ARRANGEMENTS BRIEF

FUNCTION:	Media event to announce the expansion of the Next Generation Energy Storage Program
VENUE:	Manuka Tennis Club, Flinders Way, Griffith, Canberra ACT 2603
HOST:	Name: Anita Healey Mobile: [REDACTED]
DAY:	Thursday
DATE:	10 March 2022
TIME:	11:00 am
TIME COMMITMENT:	30 minutes
CATERING:	None
DRESS CODE:	Casual
YOUR ROLE:	Short speech announcing the new retailers and enhanced program. Answer questions from the media. Meet with new invited retailers and Tennis Club representatives. Talking Points are at Attachment A , including background information on the program.
WHERE TO PARK:	Parking is available outside the Tennis Club. A map is at Attachment B .
WHO WILL MEET YOU:	Anita Healey
ADVISOR ATTENDING:	No
AUDIENCE:	Audience consisting of New Battery Retailers, staff from the Tennis Club and media. 15-20 people.
VIPs:	Kim Kachel, CEO Tennis ACT Bill Brummitt, Manuka Tennis Club President
PAST INVOLVEMENT:	None
SENSITIVITIES:	None
ORDER OF CEREMONIES	11:00am – Meet Anita Healey – Director of Business and Economic Development 11:05am – Announce new retailers 11:15am – Speak to the media and answer questions 11:25am – Chat to invited guests 11.30am – Event concludes

Shane Rattenbury MLA - Arrangements brief

MEDIA:	A Media Release and Media Release can be found at <u>Attachments C and D.</u>
SOCIAL MEDIA ACCOUNTS	@EverydayClimateChoices
OUTSTANDING REGULATORY ISSUES	No outstanding regulatory issues.



ACT
Government

Environment, Planning and
Sustainable Development

EPSDD Ref No.: 22/13360

Response to DLO Request

*** All information provided should be factual.**

EGM clearance email to be saved in the Objective file and forwarded to the EPSDD DLO inbox and copy in the relevant EO.

Subject: 22/13360 - Assistance to install electric car charging in complexes

Response:

The ACT Government has made reforms to the *Unit Titles (Management) Act 2011*, providing unit owners with more rights for an uptake of sustainable living. As such, any rule made by an owners corporation which restricts or prohibits the installation, operation, or maintenance of sustainability infrastructure in a unit or on common property is invalid. More information about these reforms can be found on the Managing Building Better website: www.planning.act.gov.au/build-buy-renovate/reviews-and-reforms/managingbuildings-better/initial-package-of-reforms

The Sustainable Household Scheme provides zero interest loans for sustainable home improvements. If eligible, households can get a loan from \$2,000 to \$15,000 to buy energy-efficient products, including electric vehicle charging infrastructure and installation costs for these products. See the website for more details

<https://www.climatechoices.act.gov.au/policy-programs/sustainable-household-scheme>

Portfolio: Water, Energy and Emissions Reduction

COMMUNITY ZERO EMISSIONS GRANTS PROGRAM

Talking points:

- The Government has committed \$600,000 over 4-years in the 2021-22 Budget to continue the Community Zero Emissions Grants Program.
- This funding will continue to support community-led projects that help the ACT reach its target of net zero emissions by 2045 and increase our community's resilience to the impacts of climate change.
- Round five of the program will open on 1 February 2022 with \$150,000 of grant funding available.

Key Information:

Previous funding under the Community Zero Emissions Grants Program

- The Government's 2021-22 Budget commitment builds on previous funding of \$550,000 over 4-years (2017-18 to 2020-21).
- This funding delivered projects and activities that aimed to:
 - develop and implement innovative solutions and generate new knowledge and information to support a community transition to net zero emissions by 2045;
 - assist the community to reduce greenhouse gas emissions in the ACT; and
 - drive greater community awareness of and engagement in the transition to net zero emissions.
- Four rounds were delivered through the Government's previous funding commitment, with a total of 23 funded applications.
 - Under each round, a maximum of \$25,000 (excluding GST) was available to eligible individual applicants and up to \$50,000 (excluding GST) for joint applications.
- The most recent round (Round Four) provided a total of \$127,424 in funding to support five successful applications.

Background Information:

- In Round One, 19 grant applications were received and assessed, with six applicants successful, sharing \$117,910 in grant funding.
- In Round Two, 16 grant applications were received and assessed; with seven applicants successful, sharing \$167,528 in grant funding.
- In Round Three, 20 grant applications were received and assessed; with seven applicants successful, sharing \$160,117 in grant funding.
- In Round Four, 16 grant applications were received and assessed; with five applicants successful, sharing \$127,424 in funding.