1. As rule maker and market developer for Australian energy markets, the Australian Energy Market Commission (AEMC) makes and amends the detailed rules for the operation of the National Electricity Market and elements of the natural gas markets in accordance with the National Electricity Law and the National Gas Law. As part of its market development role, it also conducts market reviews with a view to providing strategic advice to Energy Ministers from the participating jurisdictions.
2. The AEMC’s work supports efficient, reliable and secure energy market frameworks which serve the long-term interests of consumers. An AEMC Funding Agreement apportions costs between the participating jurisdictions based on population.
3. The Queensland Government has decided that Queensland’s AEMC contributions should be funded by an industry cost recovery mechanism, reflecting the fact that the benefits of the AEMC’s work flow to energy consumers.
4. A levy on regulated electricity transmission entities and gas pipelines operators is considered the most appropriate method of cost recovery, as these bodies are subject to the National Electricity Rules and National Gas Rules; have the widest reach of customers that benefit from the work of the AEMC and are administratively the simplest and lowest-cost point at which to implement a levy.
5. The Bill will expand the existing conditions for holding an electricity transmission authority or a natural gas pipeline licence to provide for the imposition of fees to cover Queensland’s contribution to funding the AEMC. The Bill ensures these fees will only apply to regulated transmission entities that are subject to the national electricity and gas rules and therefore benefit from the functions of the AEMC.
6. Cabinet approved the Energy Legislation (AEMC Payments) Amendment Bill 2014 be introduced into the Legislative Assembly.
7. Cabinet noted that the Energy Legislation (AEMC Payments) Amendment Bill 2014 will be incorporated into the Electricity and Other Legislation Amendment Bill 2014 prior to introduction.
8. Cabinet noted that the Electricity and Other Legislation Amendment Bill 2014 will be referred to an appropriate Parliamentary Portfolio Committee for consideration and report.
9. *Attachment*s
* [Electricity and Other Legislation Amendment Bill 2014](Attachments/Bill.pdf)
* [Explanatory Notes](Attachments/ExNotes.pdf)