1. The Electricity Price Reform Bill 2011amends the *Electricity Act 1994* and the *Electricity Regulation 2006*, to replace the current Benchmark Retail Cost Index (BRCI) methodology for determining notified electricity prices commencing 1 July 2012. The legislative amendments will allow for the implementation of a new price setting methodology in Queensland, and changes to eligibility for the Queensland Solar Bonus Scheme.
2. The new legislation will provide sufficient flexibility to deal with any unidentified policy changes or market upheavals. In particular, this approach will ensure the regulatory framework is flexible enough to allow any future carbon costs or additional costs associated with environmental obligations to be captured and passed through to customers.
3. Consistent with the current Queensland legislation, the Bill will ensure that the Minister retains the authority to delegate responsibility for determining notified prices to the Queensland Competition Authority (QCA).
4. In addition, the Bill will ensure that the process and intent detailed in any direction to the QCA, issued under s10(e) of the *Queensland Competition Authority Act 1997*, is considered sufficient under the *Electricity Act 1994* in terms of the relevant price determination process, and provides that any consultation undertaken and reports submitted by the QCA in accordance with the direction are considered to be a valid part of the relevant price determination process.
5. The Bill also inserts a new provision into the *Electricity Act 1994* which gives the Minister responsible for Energy the power to seek information or advice from the QCA on any matter related to the Queensland electricity market.
6. To support the changes to the Queensland Solar Bonus Scheme announced by the Minister for Energy and Water Utilities in May 2011, the Bill also includes changes to limit the size of eligible individual solar photovoltaic systems to one five kilowatt system per premises.
7. Cabinet approved the introduction of the Electricity Price Reform Bill 2011 into the Legislative Assembly.
8. Attachments:
* [Electricity Price Reform Bill 2011](Attachments/Bill.pdf)
* [Explanatory Notes](Attachments/ExNotes.pdf)