

TASMANIA

TASMANIA'S ENTRY INTO THE NATIONAL ELECTRICITY MARKET*

On 29 May 2005 Tasmania entered into the National Electricity Market (NEM), which will facilitate establishment of the Tasmanian Government's Energy Reform Framework. The Energy Reform Framework focuses on retail contestability and consumer choice (for further details see Department of Treasury and Finance 'Energy Markets' at <http://www.treasury.tas.gov.au/domino/dtf/dtf.nsf/main-v/energy> accessed 15 June 2005). Some of the key legislative reforms that further facilitate the establishment of the framework are:

- Retail competition in the electricity supply industry is regulated by the *Electricity Supply Act 1995* (Tas), as amended by the *Electricity Supply Industry Amendment Act 2003* (Tas). The Act creates an independent Energy Regulator, who is responsible for issuing licences and can impose conditions on licences in accordance with the provisions in the Tasmanian Electricity Code.
- The *Bell Bay Power Station Act 2004* (Tas) separates the Bell Bay Power Station from Hydro Tasmania as a distinct government-owned company.
- The *Electricity – National Scheme (Tasmania) Act 1999* (Tas) entered into force on 29 May 2005, on Tasmania's entry into the NEM. This Act makes provision for the operation of the NEM in Tasmania. In particular, section 6 provides that the National Electricity Law, as set out in the Schedule to the *National Electricity (South Australia) Act 1996* (SA) applies as a law of Tasmania (the National Electricity (Tasmania) Law). Similarly, section 7 provides that the regulations under part 4 of the South Australian Act apply as regulations under Tasmanian law (the National Electricity (Tasmania) Regulations). Section 8A provides that the National Electricity Code applies to Tasmania, subject to any jurisdictional derogations authorised by the Australian Competition and Consumer Commission. In this regard, it should be noted that derogations were authorised by the Commission on 14 November 2001 and minor amendments were made on 2 February 2005 (for further details see National Electricity Code Administrator 'The Code' at <http://www.neca.com.au/TheCode/> accessed 15 June 2005). The purpose of these derogations is to facilitate Tasmania's transition into the NEM.

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