Helen Haines MP

Senator Andrew Bragg
Chair, Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

By email: economics.sen@aph.gov.au

Dear Senator Bragg Andrew,

Re: Submission to Senate Inquiry into Residential Electrification

Thank you for the opportunity to make this submission to the Senate Economics References Committee's (**the Committee**) inquiry into residential electrification (**the Inquiry**).

As a strong advocate for residential homes to transition away from fossil fuels and towards electrification, I welcome this inquiry.

Potential legislation to assist efforts in residential electrification already exist, including through my Private Members' Bill, the Renewable Energy (Electricity) Amendment (Cheaper Home Batteries) Bill, introduced in 2022 and re-introduced in 2023.

My Bill addresses the Inquiry's Terms of Reference (a)(iii), (c), (f),(g) and (j).

I **attach** to this submission a copy of my 2023 Bill, it's explanatory memorandum and my second reading speech.

Cheaper Home Batteries Bill and the Small-scale Renewable Energy Scheme

My Bill aims to lower Australian households' power bills, reduce household emissions and improve energy security by adding home batteries as eligible technology to create certificates under the Small-scale Renewable Energy Scheme (SRES).

The SRES was originally developed for rooftop solar so that when you buy solar, you earn certificates to then onsell to electricity retailers, who are required to purchase them. By doing so, it drives down the cost of installing solar and creates a financial incentive for individuals to purchase renewable energy. The SRES has now also expanded to small-scale wind and hydro systems, solar water heaters and air source heat pumps. However, it continues to leave out home batteries.

Dr Helen Haines MP
117 Murphy Street
Wangaratta VIC 3677
T 03 5721 7077
E helen.haines.mp@aph.gov.au
W helenhaines.org
@helenhainesindi

Why we need to incentivise home battery uptake

Current market and government expectations and aspirations are that the renewable energy share of our national electricity grid will reach 82 per cent by 2030. Increased storage capacity on the grid via batteries is critical to enabling this higher penetration of renewables into Australia's energy mix.

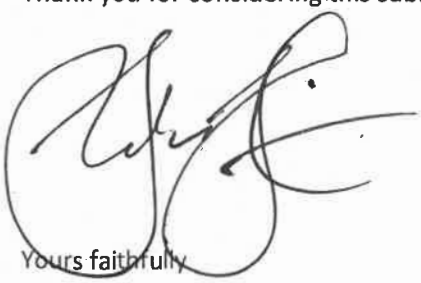
However, a lack of financial incentives for home batteries have resulted in a significant gap in the current residential electrification landscape: around 3 million Australian homes have solar panels, however only about 180,000 have a battery.[1]

According to Green Energy Markets, the 82 per cent target assumes that the cost of household batteries will be subsidised this decade.[2]

If home batteries are included in the SRES, the price of a battery is reduced by about $3,000, depending on the size of the battery. This would incentivise many Australian homes to take up batteries and help reach the 82 per cent target.

I urge the Committee to recommend in their final report that the Government support my Bill and add home batteries into the SRES. It is a simple, effective way to incentivise home battery uptake, and consequently save households money from their energy bills and reduce emissions.[3]

Thank you for considering this submission.



Yours faithfully

Dr Helen Haines MP
Independent Federal Member for Indi

27 September 2023

[1] According to the 2023 Annual SunWiz Australian Battery report (https://www.sunwiz.com.au/battery-market-report-australia-2023/): https://www.abc.net.au/news/2023-03-30/australian-household-battery-uptake-surges-to-record-high/102160138.

[2] Green Energy Markets, 'Final 2021 Projections for distribution energy resources – solar PV and stational energy battery systems', Report for AEMO, June 2021, Page 33. 2021 DER projections - GEM (aemo.com.au)

[3] Analysis received by our office suggests that if 500,000 batteries are installed, that's equivalent of taking 500,000 cars off the road each year: Cheaper Home Batteries Bill 2023 - Helen Haines MP - Independent Federal Member for Indi

2022-2023

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

Renewable Energy (Electricity) Amendment (Cheaper Home Batteries) Bill 2023

No. , 2023

(Dr Haines)

A Bill for an Act to amend the *Renewable Energy (Electricity) Act 2000*, and for related purposes

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Renewable Energy (Electricity) Act 2000 3

A Bill for an Act to amend the *Renewable Energy (Electricity) Act 2000*, and for related purposes

The Parliament of Australia enacts:

1 Short title

This Act is the *Renewable Energy (Electricity) Amendment (Cheaper Home Batteries) Act 2023*.

2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	**Column 2**	**Column 3**
Provisions	**Commencement**	**Date/Details**
1. The whole of this Act	A single day to be fixed by Proclamation. However, if the provisions do not commence within the period of 3 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.	

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

(2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendments

Renewable Energy (Electricity) Act 2000

1 Subsection 5(1)

Insert:

> ***home battery*** means a device that stores electricity that is specified by the regulations to be a home battery.

2 Subsection 5(1) (definition of *small-scale technology certificate*)

Omit "or BA" (wherever occurring), substitute ", BA or BAA".

3 Subsection 5(1) (note 1 to the definition of *small-scale technology certificate*)

Omit "and small generation units", substitute ", small generation units and home batteries".

4 Section 8

Omit "and small generation units", substitute ", small generation units and home batteries".

5 Section 8

Omit "or small generation units", substitute ", small generation units or home batteries".

6 Section 17B

Omit "and small generation units", substitute ", small generation units and home batteries".

7 Section 17B

Omit "and BA", substitute ", BA and BAA".

8 Section 17B

Omit "or BA", substitute ", BA or BAA".

9 After Subdivision BA of Division 4 of Part 2

Insert:

Subdivision BAA—Small-scale technology certificates for home batteries

23EA Small-scale technology certificates

Certificates created under this Subdivision are small scale technology certificates.

23EB When a certificate may be created

(1) If a home battery is installed:

(a) on or after the commencement of this subsection; and

(b) on or before 31 December 2030;

certificates may be created after the home battery is installed.

Note: For offences and civil penalties related to the creation of certificates, see Subdivision C.

(2) The regulations:

(a) may provide that certificates cannot be created in relation to a home battery unless particular conditions are satisfied in relation to the home battery or its installation; and

(b) without limiting paragraph (a), may:

(i) require information or documents to be given to the Regulator in relation to a home battery or its installation; and

(ii) provide that information or documents required to be given to the Regulator must be verified by statutory declaration.

(3) To avoid doubt, regulations under subsection (2) may impose conditions to be complied with in relation to a home battery after its installation.

Note: For example, conditions may be imposed so that certificates cannot be created in relation to a home battery:

(a) unless the home battery is regularly charged and used to supply electricity; or

(b) if the home battery is charged with electricity generated by a small generation unit for which a certificate is or may be created under Subdivision BA.

(4) The regulations may make provision in relation to the time at which a home battery is taken to have been installed.

(5) A right to create certificates for a home battery arises within 12 months of the installation.

Note: A certificate cannot be created on or after 1 January 2031: see section 4.

(6) Certificates may be created for a particular home battery only at a single time. The number of certificates created for a particular home battery at the time certificates are created for the battery must be the whole of the number of certificates that may be created for the battery under section 23ED.

23EC Regulations to establish scheme for inspection of new installations of home batteries

(1) The regulations must establish a scheme for the inspection of the installation of home batteries for which certificates have been created.

(2) Without limiting subsection (1), regulations made under that subsection must provide:

(a) that each year a statistically significant selection of home batteries that were installed during that year must be inspected for conformance with Australian standards and any other standards or requirements relevant to the creation of certificates in relation to that home battery; and

(b) that an inspection of a home battery is to be carried out by a person or organisation who:

(i) is independent of the person or organisation who designed and/or installed that home battery; and

(ii) does not have a conflict of interest in relation to that home battery or administration of the matters being inspected; and

(c) for the transfer of information, about any failures to comply with standards or other requirements relevant to the creation

of certificates in relation to home batteries, to State, Territory or Commonwealth bodies with responsibility for the enforcement and administration of those standards or requirements.

(3) A report of an inspection carried out in accordance with regulations made under subsection (1) may set out:

(a) conclusions; or

(b) recommendations; or

(c) other material;

that is or are relevant to the performance of the functions, or the exercise of the powers, conferred on the Regulator by section 26.

(4) Subsection (3) does not limit the matters that may be set out in a report.

Note: Inspections carried out in accordance with regulations made under subsection (1):

(a) may be relevant in determining whether a certificate is eligible for registration under section 26 (see subsection 26(3AA)); and

(b) provide an indication of the effectiveness of the process for the registration of certificates.

23ED How many certificates may be created

The number of certificates, each representing 1 MWh, that may be created in relation to a home battery is to be equal to the number worked out by multiplying:

(a) the number determined in accordance with the regulations for the battery; by

(b) the number specified in the following table for the year in which the battery is installed.

Multipliers

Item	Column 1 Year home battery installed	Column 2 Multiplier
1	before 2026	15
2	2026	15
3	2027	14
4	2028	13

Multipliers		
Item	**Column 1** **Year home battery installed**	**Column 2** **Multiplier**
5	2029	12
6	2030	11

23EE Who may create a certificate

(1) The owner of the home battery at the time that a right to create a certificate or certificates arises in relation to the home battery is entitled to create the certificate or certificates.

(2) However, the owner may, by written notice and in accordance with the regulations, assign the right to create the certificate or certificates to another person. If the owner does this, the owner is not entitled to create the certificate or certificates but the person to whom the right was assigned is entitled to create the certificate or certificates.

(3) Despite subsections (1) and (2), a person who is not registered may not create a certificate that relates to the home battery.

(4) Regulations made for the purposes of subsection (2) may make provision:

(a) in relation to when the right may be assigned; and

(b) in relation to the kind of persons to whom the right may be assigned.

(5) Subsection (4) does not limit the regulations that may be made for the purposes of subsection (2).

23EF No other certificates to be created

A person must not create certificates under Subdivision A in respect of electricity supplied by a home battery, unless an election is made under section 23EG in relation to that home battery.

23EG Election to not create certificates under this Subdivision

(1) The owner of a qualifying home battery at the time that it is installed may give the Regulator a notice in writing electing that this Subdivision does not apply to the creation of certificates that relate to the home battery.

Timing of election

(2) The owner must make the election within the period of 28 days beginning on the day the home battery is installed and before any certificates are created under this Subdivision that relate to the home battery.

Effect of election

(3) If an election is made, a person must not create certificates under this Subdivision that relate to the home battery.

Note: A person may be able to create certificates under Subdivision A that relate to the home battery.

Election cannot be altered

(4) An election must not be varied or revoked.

Definition

(5) In this section:

qualifying home battery means a home battery of a kind prescribed by the regulations for the purposes of this section.

10 Subdivision BB of Division 4 of Part 2 (heading)

Omit "**and small generation unit**", substitute "**, small generation unit and home battery**".

11 Section 23F (heading)

Omit "**and small generation unit**", substitute "**, small generation unit and home battery**".

12 Subsection 23F(1)

Omit "and BA", substitute ", BA and BAA".

13 After paragraph 23F(2)(c)

Insert:

(ca) the number of certificates the person is entitled to create under Subdivision BAA because of rights assigned to the person under subsection 23EE(2) during the year; and

14 Section 24B (heading)

Omit "**or BA**", substitute "**, BA or BAA**".

15 Paragraph 24B(1)(a)

Omit "or a small generation unit", substitute ", a small generation unit or a home battery".

16 Paragraph 24B(1)(c)

Omit "or BA", substitute ", BA or BAA".

17 Paragraphs 24B(1)(c) and (e) and 25A(2)(c) and (e)

Omit "or small generation unit", substitute ", small generation unit or home battery".

18 Paragraph 25A(2)(f)

Omit "or that it was created in relation to a small generation unit", substitute "that it was created in relation to a small generation unit, or that it was created in relation to a home battery,".

19 Subsection 26(3AA)

After "subsection 23AAA(1)", insert "or 23EC(1)".

20 Subsection 26(3AA) (note)

After "Note", insert "1".

21 At the end of subsection 26(3AA)

Add:

Note 2: Subsection 23EC(1) deals with the inspection of the installation of home batteries.

22 Paragraphs 26(3B)(b) and (c)

After "subsection 23AAA(1)", insert "or 23EC(1)".

23 Subparagraphs 30LA(3)(a)(ii), (iii) and (iv)

Omit "and solar water heaters" (wherever occurring), substitute ", solar water heaters and home batteries".

24 At the end of Division 5 of Part 2A

Add:

30TA Home batteries

This Division does not apply in relation to a small-scale technology certificate created under Subdivision BAA of Division 4 of Part 2 (about home batteries).

25 Paragraph 40A(3)(a)

Omit "and BA", substitute ", BA and BAA".

26 Subparagraph 40A(3)(d)(i)

Omit "and BA", substitute ", BA and BAA".

27 Subparagraph 141AA(c)(ii)

After "small generation unit", insert ", or that it was created in relation to a home battery,".

28 After section 160B

Insert:

160C Review of operation of Subdivision BAA of Division 4 of Part 2

(1) The Minister must cause to be undertaken an independent review of the operation of the scheme constituted by this Act, to the extent the scheme relates to home batteries.

Note: Subdivision BAA of Division 4 of Part 2 provides for the creation of small scale technology certificates for the installation of home batteries.

(2) Without limiting the matters that the review may consider, the review must consider the following:

(a) to the extent the scheme relates to home batteries—the following:

(i) the effectiveness of the scheme in lowering the cost of home batteries;

(ii) the effectiveness of the scheme in accelerating the deployment of home batteries;

(iii) the impact of the scheme on electricity prices;

(iv) the distributional impacts of the scheme;

(v) whether the scheme (including the small-scale technology shortfall charge) should be extended beyond 2030;

(b) other measures (whether or not relating to home batteries) that should be put in place beyond 2030 in order to continue to drive the deployment of technologies that lower household power bills.

Conduct of review

(3) The review must commence:

(a) no sooner than 4 years after the commencement of this section; and

(b) no later than 1 July 2029.

(4) The undertaking of the review must include public consultation.

Report

(5) The person or persons undertaking the review must give to the Minister a written report of the review within 6 months after commencing the review.

(6) The Minister must cause a copy of the report to be laid before each House of the Parliament within 15 sitting days of that House after the day on which the Minister receives the report

Definitions

(7) In this section:

independent review means a review undertaken by a person or persons who, in the Minister's opinion, possess appropriate qualifications to undertake the review.

2022-2023

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

Renewable Energy (Electricity) Amendment (Cheaper Home Batteries) Bill 2023

EXPLANATORY MEMORANDUM

and

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Circulated by authority of Dr Helen Haines MP Member for Indi

Cheaper Home Batteries Bill 2023

OUTLINE

This Bill amends the *Renewable Energy (Electricity) Act 2000* to add home batteries as an eligible technology to create small-scale technology certificates (STCs) under the Small-Scale Renewable Energy Scheme (SRES).

Currently, the SRES creates a financial incentive for individuals and small businesses to install eligible small-scale renewable energy systems such as solar panel systems, small-scale wind systems, small-scale hydro systems, solar water heaters and air source heat pumps. It does this through the creation of STCs which Renewable Energy Target liable entities have a legal obligation to buy and surrender to the Clean Energy Regulator on a quarterly basis.

Generally, householders who purchase these systems assign the right to create their certificates to an agent in return for a lower purchase price. The number of small-scale technology certificates required to be submitted by electricity retailers is set each year by the small-scale technology percentage.

In addition to State and Territory-based incentive schemes, the SRES has driven extremely high uptake of rooftop solar in Australia with around one third of households having installed rooftop solar, the highest rate in the world.

This Bill aims to replicate the success that the SRES delivered for rooftop solar in the home battery sector, by lowering the installation cost of home batteries and driving increased uptake.

This is consistent with the first object of the *Renewable Energy (Electricity) Act 2000* which is to "encourage the additional generation of electricity from renewable sources". Increased storage capacity on the grid is critical to enabling higher penetration of renewables into Australia's electricity mix. In some parts of the grid, with excessive daytime rooftop solar production, installing storage capacity is essential to encouraging further uptake of rooftop solar.

This Bill would retain the existing legislative architecture for the creation and transfer of STCs, simply extending it to home batteries. The 'deeming rate', the period for which a home battery can create certificates is set at 15 years, until 2027 at which point it is calculated as the number of years until 2041. The number of certificates a home battery can create each year is determined by the megawatt hours of electricity it will discharge over the course of a year, as set out in regulation.

As in the existing scheme, home batteries can only create STCs if they are installed by 2030. Home batteries must create STCs within 12 months of installation and can only create certificates once, for the duration of their deeming rate.

This Bill also requires the Minister to conduct a review of the operation of the home battery SRES incentive scheme, issuing a final report to the Minister by 1 January 2029. That review should determine, among other things, whether the scheme should be extended beyond 2030.

RATIONALE

Just 1.3% of Australian households have installed home batteries. Yet analysis shows that households could save around $5000 a year in lower power and fuel costs by switching to renewable electric heating, cooling, and vehicle transportation. Home batteries are critical to unlocking these savings.

Yet currently, home batteries are prohibitively expensive for Australians. Just as the Howard Government, in introducing the original *Renewable Energy (Electricity) Act 2000*, recognised that accelerated deployment of rooftop solar in the early 2000s would be critical to reducing costs, so too

in the 2020s is the accelerated deployment of home batteries critical to reducing battery costs.

FINANCIAL IMPACT

This bill complies with the financial initiative rules for private members bills.

The Parliamentary Budget Office published an official costing for the *Cheaper Home Batteries Bill*.

The total departmental expenses for the forward estimates from the 2023-24 Budget would decrease the fiscal and underlying cash balances by $3.6 million. This involves:

- $2.4 million in expenses in 2023-24;
- $0.6 million in 2024-25;
- $0.6 million in 2025-26.

The proposal would have an ongoing impact beyond the 2022-23 October Budget forward estimates period, likely in the vicinity of $0.6 million per year.

The costing shows no impact on administered expenses.

NOTES ON CLAUSES

Clause 1 – Short Title

This clause specifies that the Act may be cited as the *Renewable Energy (Electricity) Amendment (Cheaper Home Batteries) Act 2023.*

Clause 2 – Commencement

This clause provides for the commencement of the Act on a day to be fixed by Proclamation.

Clause 3 – Schedules

This clause specifies that this Act involves amendments to existing legislation. This Act includes one Schedule which makes amendments to the *Renewable Energy (Electricity) Act 2000*.

Schedule 1 - Amendments

Clause 1 – Definition of home batteries

This clause inserts a new definition of "home batteries" into subsection 5(1) of the *Renewable Energy (Electricity) Act 2000* which deals with definitions.

The definition of a home battery is "a device that stores electricity that is specified by the regulations to be a home battery". This allows the technical definition of a home battery to be determined through regulation.

Clauses 2 – 3 – Definition of small-scale technology certificates

These clauses make technical amendments to section 5(1) of the *Renewable Energy (Electricity) Act 2000* which deals with the definition of small-scale technology certificates. These clauses specify that certificates created by home batteries are small-scale technology certificates.

Clauses 4 – 5 – Definition of renewable energy certificates

These clauses make technical amendments to section 8 of the *Renewable Energy (Electricity) Act 2000* which deals with the definition of renewable energy certificates. These clauses specify that certificates created by home batteries are small-scale technology certificates.

Clauses 6 – 8 – Creation of renewable energy certificates

These clauses make technical amendments to Section 17B of the *Renewable Energy (Electricity) Act 2000* which deals with the creation of renewable energy certificates. These clauses simply specify that certificates created by home batteries are small-scale technology certificates.

Clause 9 – Small-scale technology certificates for home batteries

This clause inserts a new subdivision BAA into Division 4 of the *Renewable Energy (Electricity) Act 2000* which outlines how each eligible technology can create renewable energy certificates. This new subdivision outlines how home batteries can create small-scale technology certificates.

When the scheme applies

This new subdivision outlines that small-scale technology certificates can be created by home batteries that are installed between the date of the commencement of this subsection and the 31st of December 2030, inclusive of both dates.

It also specifies that regulations can outline further conditions or requirements for the creation of small-scale certificates by home batteries.

When certificates can be created

A home battery can only create certificates within 12 months of the installation of the battery. A home battery can only create certificates once.

How many certificates can be created

The number of certificates an individual home battery can create is determined by two factors: the annual electricity discharge of the battery (measured in megawatt hours) multiplied by the deeming rate (measured in years).

On installation, the home battery can create certificate for a period specified in the bill, known as the deeming rate. The deeming rate depends on the year it is installed:

- Before 2026: 15 years
- 2026: 15 years
- 2027: 14 years
- 2028: 13 years
- 2029: 12 years
- 2030: 11 years

For instance, if a battery is installed in 2027, it can immediately create certificates for a period of 14 years.

The amount of electricity that a battery will discharge over the course of the year will be determined through regulation.

This formula is consistent with the existing formulae for calculating the number of certificates eligible technologies can create under the scheme under the current legislation.

For instance, if the regulations determine that a battery will discharge 1.5 megawatt hours over the course of a year, and that battery is installed in 2027, it will receive:

1.5 x 14 = 21 STCs

Who may create a certificate

The owner of the home battery at the time that a right to create a certificate arises in relation to the home battery is the party entitled to create certificates. However, that party may assign the right to create certificates to another person.

This is consistent with the existing legislation governing the creation of certificates under other eligible technologies under the SRES. The purpose of this clause is to allow the owner of a battery to transfer the right to create certificates to the installer of the home battery to reduce the effective installation cost of the battery.

Regulations may be made in relation to the assignation of the right to create certificates. The owner of the battery may elect not to create certificates under this Bill.

Clauses 10 – 13 – Returns

These clauses amend subdivision BB of Division 4 of Part 2 of the *Renewable Energy (Electricity) Act 2000* which relates to returns provided to the Regulator from individuals who create more than 250 certificates in a year.

Currently, this subdivision only applies to certificates created by solar water heaters and small generation units. These clauses would add home batteries to this list. This means that an individual who creates more than 250 small-scale technology certificates in a single year, from any SRES technology including home batteries, would have to provide a return to the regulator.

Clauses 14 – 17 – Improper creation of certificates

These clauses amend Section 24 of the *Renewable Energy (Electricity) Act 2000* which relates to the improper creation of certificates.

These clauses would amend the existing legislation to specify that the circumstances in which a certificate has been improperly created (and the penalties for the improper creation of a certificates) that currently apply to existing technologies under the Act will apply to home batteries.

Clause 18 – Form and content of small-scale technology certificates

This clause amends Section 25 of the *Renewable Energy (Electricity) Act 2000* which relates to the form and content of small-scale technology certificates.

This clause would amend the existing legislation to specify that small-scale technology

certificates created by home batteries must have the same form and content as those certificates created by existing technologies.

Clauses 19 – 22 – Registration of Certificates

These clauses amend section 26 of the *Renewable Energy (Electricity) Act 2000* which relates to the requirement for certificates to be registered.

These clauses impose the same registration requirements for certificates created by home batteries as currently apply to existing technologies.

Clause 23 – Clearing House Price

This clause amends section 30LA of the *Renewable Energy (Electricity) Act 2000* which relates to the clearing house price for small-scale renewable energy certificates.

This clause implements the same rules relating to the clearing house price for certificates created by small-scale technology certificates as currently apply to existing technologies under the legislation.

Clause 24 – Renewable Energy Special Account

This clause inserts a new section after section 30T in the *Renewable Energy (Electricity) Act 2000* to clarify that this Bill does not change the purposes of the Renewable Energy Special Account.

Clauses 25 – 26 – Regulations to specify small-scale technology percentage

These clauses amend section 40A of the *Renewable Energy (Electricity) Act 2000* which relates to the regulations specifying the small-scale technology percentage.

Currently, in determining the small-scale technology percentage for a given year, the Minister must consider the estimated value, in megawatt hours, of small-scale technology certificates that will be created in the current year under solar hot water systems and small-scale generation units. This would add home batteries to this list of technologies the Minister must consider in determining the small-scale technology percentage.

Clause 27 – Contents of register of small-scale technology certificates

This clause amends section 141AA of the *Renewable Energy (Electricity) Act 2000* which relates to the contents of the register of small-scale technology certificates.

This clause simply outlines that the register must contain the same information regarding certificates created by home batteries as it currently contains regarding certificates creates from already eligible technologies.

Clause 28 – Review of *Cheaper Home Batteries Bill 2023*

This clause inserts a new provision into Part 16 of the *Renewable Energy (Electricity) Act 2000*.

This new clause 160C requires the Government to conduct a review of the operation of the new subdivision BAA of Division 4 of Part 2 of the Act, that is, the addition of home batteries into the Small-Scale Renewable Energy Scheme implemented by the *Cheaper Home Batteries Bill 2023*.

That independent review must consider:

- the effectiveness of the scheme in lowering the cost of home batteries;
- the effectiveness of the scheme in accelerating the deployment of home batteries;
- the impact of the scheme on electricity prices;
- the distributional impacts of the scheme (this refers specifically to the share of the costs and benefits of the scheme accruing to people based on their income level, demography, geography, and other relevant characteristics);
- whether the scheme (including the small-scale technology shortfall charge) should be extended beyond 2030;
- other measures (whether or not relating to home batteries) that should be put in place beyond 2030 in order to continue to drive the deployment of technologies that lower household power bills.

The review must commence no sooner than 4 years after the commencement of the bill, and no later than 1 July 2029.

It must involve public consultation, the final review must be handed to the Minister within 6 months after commencing the review, and the Minister must cause to be tabled a copy of the report in each House of Parliament within 15 sitting days of receiving the report.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS
Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

This *Cheaper Home Batteries Bill 2023* is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the bill
The bill will add home batteries to the list of eligible technologies than can earn small-scale technology certificates under the Small-Scale Renewable Energy Scheme.

Human rights implications
This bill engages the following rights:

- the right to an adequate standard of living in Article 11(1) of the International Covenant on Economic Social and Cultural Rights (ICESCR) and Article 27(1) of the Convention on the Rights of the Child (CRC);
- the right to enjoy the highest attainable standard of physical and mental health in Article 12(2) of the ICESCR and Article 24(1) of the CRC;

Right to an adequate standard of living

Article 11(1) of the International Covenant on Economic Social and Cultural Rights provides that everyone is entitled to an adequate standard of living and the continuous improvement of living conditions.

The Australian Government Attorney-General's Department notes that policy-makers must consider the right to an adequate standard of living when working on legislation, policies and programs that deal with economic and resource issues that could have an impact on the realisation of the right to an adequate standard of living.

The supply of accessible, reliable, low-cost electricity is critical to the realisation of an adequate standard of living. Home batteries are a powerful technology to lower the cost of electricity, and increase the reliability of electricity, especially for people in rural and regional areas who experience disproportionate rates of energy insecurity and energy poverty. This bill therefore contributes to the continuous improvement of living conditions.

Right to the highest attainable standard of physical and mental health

Article 12(2) of the International Covenant on Economic Social and Cultural Rights and Article 24(1) of the Convention on the Rights of the Child provide that everyone is entitled to the right to enjoy the highest attainable standard of physical and mental health.

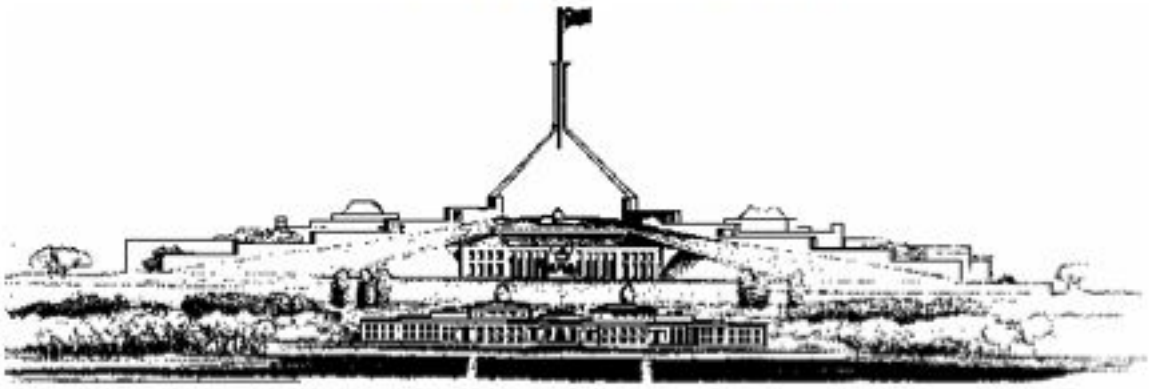
The Australian Government Attorney- General's Department notes that the right must be understood as a right to the enjoyment of a variety of facilities, goods, services, and conditions necessary for the individual to realise his or her highest attainable standard of health.

The combustion of fossil fuels in domestic settings, especially in relating to domestic heating and cooking, has demonstrated deleterious impacts on human health. Specifically, the combustion of methane gas for domestic cooking is demonstrated to generate harmful levels of nitrogen dioxide, formaldehyde, and ultra-fine particles.

By supporting greater accessibility of home batteries, this bill enables individuals and households greater choice in switching to electric-based domestic heating and cooking, and therefore contributes to the progressive realisation of the highest attainable standard of physical and mental health.

COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

Renewable Energy (Electricity) Amendment (Cheaper Home Batteries) Bill 2023

Second Reading

SPEECH

Monday, 27 March 2023

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date	Monday, 27 March 2023	**Source**	House
Page	2298	**Proof**	No
Questioner		**Responder**	
Speaker	Haines, Helen MP	**Question No.**	

Dr HAINES (Indi) (10:42): I move:

That this bill be now read a second time.

Introduction

I'm excited today to reintroduce this bill which is directly aimed at reducing household energy costs by making home batteries cheaper. This has never been more relevant than it is today.

While we debate the safeguard mechanism bill aimed at reducing the emissions of our biggest national polluters, everyday Australians are looking hard for ways to reduce their emissions at home. Households are experiencing significant cost-of-living challenges right now. Groceries, petrol, energy, rent and mortgage costs are all rising. Power bills are set to rise 30 per cent by this winter. I hear about it daily in my electorate of Indi.

This bill will help households purchase a home battery. This means lower power bills, and huge savings for households.

Outline of the b ill

At the federal level, the Small-scale Renewable Energy Scheme has been key to accelerating the deployment of rooftop solar and driving down the price.

This scheme, introduced by the Howard government, has helped millions of Australians buy solar. But now we need to store that solar—and batteries are the answer.

In short, my bill adds home batteries as an eligible technology to create certificates under the scheme.

This means that, when you install a home battery, you earn certificates which you can then onsell to electricity retailers, who are required to purchase them.

This in turn drives down the installation costs of a home battery.

Right now, a home battery will set you back around $14,500 all in.

My bill could drive that price down by $3,000.

Under my bill, as under the existing scheme, the precise amount you'll save will depend on how big your battery is and how you use it.

The size and quality of a battery, and whether it's connected to the grid or to solar, are all important parts of the scheme which will be covered by regulations, following consultations with industry experts.

But the fundamental point here is this: to unlock massive savings for Australian households, to bring power security to regional households and to accelerate our transition to renewable energy, we need to make home batteries cheaper.

My bill will get it done.

What it would mean

Around a third of Australian homes have rooftop solar, but only 1.4 per cent of households have a battery.

This means millions of houses have untapped potential when it comes to storing solar power.

Only last week, energy retailer Nectr reported a spike in inquiries for their solar and storage bundles. They say this is in direct response to rising energy costs. Households have had enough. They want to take back control of their power bills, and batteries are critical to achieve this. Unfortunately they are still too expensive.

But we know that if households are given some help, the uptake could improve. Local councils like Indigo Shire in my electorate were part of Project EDGE, aimed at looking at how consumers can participate in the energy market. With financial support provided under the project, about 130 households in towns like Beechworth, Wooragee and Yackandandah have taken up batteries. It's clear that with financial help, households are keen to buy batteries.

If we can fix this, the savings for households are huge.

Analysis by engineers and energy entrepreneur Dr Saul Griffith shows that a fully electric household would save around $5,000 a year in petrol costs, in power bills, in heating bills.

And we know that getting batteries into Australian homes is the biggest barrier to capturing those savings.

It's not just improving household savings that would be achieved under this bill. Batteries provide a reliable energy source during times of emergencies like bushfires and storms when our powerlines fail us. In places like Corryong and the Alpine areas.

They are also a critical part of reducing our national emissions. If 500,000 batteries are installed, that's the equivalent of taking 500,000 cars off the road each and every year.

Batteries will reduce our power bills, secure our energy supply and reduce our emissions. It should be a no-brainer for the Government to provide that extra help so households can afford them. This Bill gets this done.

More needs to be d one

We must make solar and batteries affordable to all Australians.

Late last year, the government agreed to develop a package for the next budget that will assist low-income households move towards electrification. This was a welcome announcement, but with minimal detail there is ample opportunity for the government to get this right. I want my constituents to use cheap solar, choose electric appliances that are more efficient, and save money in the long term. This package should include no-interest loans for home electrification, and incentives for landlords so that renters can access cheap power too. We are seeing similar programs at home in Victoria and overseas in the USA. It's time for this Government to really get a move on and deliver affordable, clean energy to all Australian households, regardless of income.

Conclusion

The government has set a target of having renewable energy account for more than 80 per cent of the grid by 2030, but analysts warn we won't reach this if we don't back up our power for when the sun is not shining or the wind is not blowing.

We must put batteries within reach of many more households to take pressure off the grid, cut bills, and reduce emissions. This bill gets it done.

I cede the rest of my time to the member for Wentworth.

The DEPUTY SPEAKER (**Dr Freelander**): Is the motion seconded?