

An Bille um Bearta Éigeandála maidir le Costais Leictreachais agus Forálacha Ilghnéitheacha (Cuntais Leictreachais Tí), 2022

Electricity Costs (Domestic Electricity Accounts)
Emergency Measures and Miscellaneous Provisions
Bill 2022

Meabhrán Míniúcháin Explanatory Memorandum



AN BILLE UM BEARTA ÉIGEANDÁLA MAIDIR LE COSTAIS LEICTREACHAIS AGUS FORÁLACHA ILGHNÉITHEACHA (CUNTAIS LEICTREACHAIS TÍ), 2022 ELECTRICITY COSTS (DOMESTIC ELECTRICITY ACCOUNTS) EMERGENCY MEASURES AND

MISCELLANEOUS PROVISIONS BILL 2022

EXPLANATORY MEMORANDUM

Introduction

This Bill is designed to provide, due to the continued exceptional rise in global energy prices, for the establishment of a scheme to be known as the Electricity Costs Emergency Benefit Scheme II for purpose of making a Benefit Payment in each of the periods November/December 2022, January/February 2023 and March/April 2023 to domestic electricity accounts out of resources available to the Minister for the Environment, Climate and Communications. For that purpose, the Bill confers functions on the Distribution System Operator (DSO) and electricity suppliers. It also confers functions on the Commission for Regulation of Utilities (CRU) in relation to the Scheme and for that purpose amends the Electricity Regulation Act 1999. It also makes provision in relation to the treatment of electricity costs emergency benefit payments for income tax purposes, and it enables the Minister for the Environment, Climate and Communications to make regulations in relation to the operation of the Scheme, and to provide for related matters. It also provides for drafting amendments related to the relevant market participant registration framework set out in the Electricity Regulation Act on foot of the transposition of the Internal Market for Electricity Directive. Provision is also made for a reduction in the National Oil Reserve Authority (NORA) levy by way of amendment to the NORA Act, 2007 for a limited time period.

The Bill contains 13 provisions.

Definitions

Section 1 provides for the definitions of terms used in the Bill.

Establishment of Scheme

Section 2 provides for the establishment of the Scheme, to be known as the Electricity Costs Emergency Benefit Scheme II, to be operated by the Distribution System Operator (ESB Networks) and electricity suppliers, for the purposes of making electricity costs emergency benefit payments, to domestic electricity accounts, from monies provided by the Oireachtas. It provides the basis for the estimation of the amount required, as well as for the allocation of the monies for the scheme, by the Minister for the Environment, Climate and Communications, with the consent of the Minister for Public Expenditure and Reform. The amount allocated to the scheme shall not be more than €1.211 billion.

<u>Transfer of monies by the Minister to the distribution system operator for the purposes of the scheme</u>

Section 3 provides the legislative basis for the transfer, by the Minister for the Environment, Climate and Communications, with the consent of the Minister for Public Expenditure and Reform, to the Distribution System Operator, the monies, up to €1.2111 billion, for the operation of the Scheme. This will be paid to domestic account holders in three payments of €183.49 (excluding VAT) each, in the November/December 2022, January/February 2023 and March/April 2023 billing periods.

<u>Functions of the distribution system operator for the purposes of the operation of the Scheme</u>

Section 4 provides for the functions of the Distribution System Operator necessary for the operation of the Scheme, including in relation to determining the number of domestic electricity accounts, when requested by the Minister for the Environment, Climate and Communications, the notification to suppliers of the assigned Meter Point Registration Number (MPRN) for each domestic electricity account by reference to which the supplier concerned supplies electricity and the transfer of monies by it to the electricity suppliers.

<u>Functions of electricity suppliers for the purposes of the operation the Scheme</u>

Section 5 provides for the functions of electricity suppliers for the purposes of the operation of the Scheme, including, the crediting of each domestic electricity account held with it with three payments of €183.49 in each of the payment periods to be specified by Regulations.

Functions of the Commission in relation to the Scheme

Section 6 provides for the amendment of section 9 of the Electricity Regulation Act to create functions for the Commission for Regulation of Utilities, including, for the purposes of oversight of the functions of the Distribution System Operator and suppliers in the operation of the scheme, and to ensure that the administrative and operational arrangements necessary for the functioning of the Scheme are in place.

Exemption from income tax

Section 7 provides for an amendment to the Taxes Consolidation Act 1997, to exempt the electricity costs emergency benefit payments from income tax.

Regulations

Section 8 provides for the Minister to make Regulations, with the consent of the Minister for Public Expenditure and Reform, for the purposes of the Act, such as assigning the relevant dates for the operation of the scheme and administrative and operational matters as required for the efficient operation of the scheme.

Expenses

Section 9 sets out that expenses incurred by the Minister in the administration of the Act are to be paid out of monies provided by the Oireachtas, to the extent sanctioned by the Minister for Public Expenditure and Reform. It also sets out that the Commission, the Distribution System Operator, and Suppliers shall bear their own expenses.

Amendment of section 34 of Act of 1999

Section 10 Drafting amendment to Section 34 of the Electricity Regulation Act, 1999, to include specific reference to the relevant market participants registration framework established under Part IIIA of the ERA 1999, in the context of terms for connection to and use of transmission

or distribution systems, to make it clear that relevant market participants can enter into agreements for connection to or use of the transmission or distribution system.

Amendment of section 35 of the Act of 1927

Section 11 Drafting amendment to Section 35 of the Electricity (Supply) Act, 1927, to include specific reference to the relevant market participants registration framework established under Part IIIA of the ERA 1999, to make it clear that relevant market participants can sell electricity or supply electricity for sale.

Amendment of Section 37 of National Oil Reserves Agency Act 2007

Section 12 provides for a reduction in the National Oil Reserves Agency (NORA) levy from its current rate of $\[\in \]$ 0.02 to $\[\in \]$ 0.001 per litre of oil disposed of within the state.

Short title and commencement

Section 13 provides for the short title and commencement of the Act.

An Roinn Comhshaoil, Aeráide & Cumarsáide Deireadh Fómhair, 2022.