

Electricity Reform Act 2000

SECTION 87 EXEMPTION – SMALL SCALE GENERATION OPERATIONS

1. This exemption replaces *Section 87 Exemption Document: Small Scale Renewable Energy Operations* granted on 4 September 2007 which, with Ministerial approval, has been revoked. All small scale renewable energy operations covered under that exemption are now subject to this Small Scale Generation Operations exemption.
2. This exemption applies to the following operations (small scale generation (SSG) operations):
 - (a) the generation of electricity by electricity generating plant, including energy storage systems, that meets the following conditions:
 - (i) the electricity generating plant is located on a site (being premises or a lot of land) or adjoining sites, which is connected through one or more supply points to a distribution network operated by a licensed network provider;
 - (ii) the electricity generated is solely or primarily for on-site supply; and
 - (iii) the maximum generating capacity for all on-site electricity generating plant on the site or adjoining sites is two megawatts (2 MW) or less; and
 - (b) selling excess electricity that is generated by electricity generating plant that meets the requirements of paragraph (a), provided that the electricity is sold to a licensed electricity entity as required by section 5(a) below.
3. For the avoidance of doubt, this exemption does not apply to a person who:
 - (a) operates a virtual power plant as defined in section 1 of the 'Section 87 exemption – Virtual Power Plants';
 - (b) generates or sells electricity under a small scale generation power purchase agreement as defined in section 1 of the 'Section 87 exemption – Small Scale Generation Power Purchase Agreements'; or
 - (c) on-supplies electricity to other owners or occupiers of the site or adjoining sites, noting that such on-supply may be exempt under regulation 14 of the *Electricity Reform (Administration) Regulations 2000*.
4. Pursuant to sections 14(2) and 87 of the *Electricity Reform Act 2000* (the Act), a person carrying on SSG operations is exempt from the requirement to hold a licence for the generation of electricity and selling electricity in relation to SSG operations.
5. In accordance with section 87(1) of the Act, the exemption granted in this document is subject to the following conditions:
 - (a) electricity generated in excess of on-site supply requirements and exported to the distribution network must be sold under contract to a licensed electricity entity;
 - (b) the exempt person must comply with all relevant safety and technical requirements of the Act, the *Electrical Safety Act 2022* and associated regulations; and

- (c) the exempt person must, from time to time, provide the Commission, in a manner and form and timeframe to be determined by the Commission, such information as the Commission may request in the performance of its functions under any applicable laws.
- 6. If a person undertaking SSG operations fails to adhere to the conditions of this exemption that person and their SSG operations are not covered by this exemption and that person will be operating without a licence, which may result in a penalty under the Act.
- 7. Under section 87(3) of the Act, this exemption may be varied or revoked by the Commission, with the approval of the Minister, by notice in writing.
- 8. This exemption document will remain in force until it is varied or revoked by the Commission by notice in writing.

Date: 25 November 2024

THE COMMON SEAL of UTILITIES COMMISSION is duly affixed in the presence of:)
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Kimberlee McKay
Signature of authorised person

Director, Utilities Commission
Office held

Kimberlee McKay
Name of authorised person (block letters)



Approved, in accordance with section 87 of the *Electricity Reform Act 2000*:

Gerard Maley
Hon Gerard Maley
Minister for Mining and Energy

6 NOV 2024