

Consumer Advocacy Panel

Advocacy and Research Agenda for 2008/2009

On 2 June 2008 an invitation was extended to stakeholders to comment on the content of the advocacy and research agenda that will guide the Panel in the allocation of its 2008/2009 funding budget. The invitation and a consultation paper were published on the Panel's website.

Responses were received from the Major Energy Users Inc (MEU) and (a joint submission) from the Consumer Action Law Centre and the Consumer Utilities Advocacy Centre (CALC/CUAC). The Centre for Credit and Consumer Law advised that it supported the CALC/CUAC submission.

The key points made in the submissions and the Panel's responses to them are as follows:

Key points	Responses
Major Energy Users Inc	
The budget amounts and allocations appear appropriate but may need to be adjusted in the light of actual needs during the year.	Agree.
A potential research project may be the comparing of electricity, gas and gas pipeline prices since deregulation with prices prior to deregulation.	Noted.
Consumer Action Law Centre and the Consumer Utilities Advocacy Centre	
CALC/CUAC agrees with the issues and topics identified by the Panel.	
CALC/CUAC notes that although some state-based policy initiatives will intersect with national initiatives, the Panel should still fund relevant jurisdictional issues.	Noted.

In relation to the priorities assigned to each of the projects in the advocacy agenda, the respondents were in general agreement except for issues where their constituencies have different priorities e.g. CALC/CUAC assigned the highest priority to issues related to interval meters whereas the MEU did not rank them because major users already have the meters. Similarly, CALC/CUAC gave high priority to demand management issues and retail competition reviews whereas MEU nominated a medium level of priority.

The consultation was helpful in terms of clarifying the advocacy agenda and gaining insight into the priorities of the projects.

The priority levels that resulted from the consultation are set out in the table below. The Panel notes that the advocacy and research agenda developed as a result of this consultation will act as a guide on projects it should fund and will not be applied rigidly so as to exclude projects not listed on the agenda from having an equal chance of being funded based on their merit. In view of the dynamic nature of the energy reform agenda, the Panel also notes the need to maintain flexibility in relation to what issues are funded and to reserve some funding for unforeseen issues that may develop during the year.

Work programs of regulatory organisations and policy making bodies for the coming year	Priority level
Advocacy Projects	
Ministerial Council on Energy	
Australian Energy Market Operator - development of AEMO and its structure and powers including national transmission planning	A
Smart meter roll-out	
National Stakeholder Steering Committee activities	A
<ul style="list-style-type: none"> ▪ Develop and recommend technical specifications, performance requirements and amendments to functions, based on a sound benefits case; ▪ Develop and recommend service standards, including analysis of cost implications; ▪ Propose supporting National Electricity Rule changes and relevant changes to WA and NT instruments; ▪ Develop appropriate supporting technical documentation through standards and/or NEM procedures; and ▪ Consider any related decisions arising from Phase 2 of the cost-benefit assessment. 	
Technical Working Group activities	A
<ul style="list-style-type: none"> ▪ Define what a smart metering infrastructure system must be able to do (the business model requirement) ▪ Develop the detailed functions, performance standards, service levels and access arrangements necessary to achieve the business model requirements; and ▪ Consider any related decisions arising from Phase 2 of the cost-benefit assessment. 	
Retail Policy Working Group	
<ul style="list-style-type: none"> ▪ Development of national arrangements for energy distribution (non-economic) and retailing (non-price) regulation 	A
Review of Community Service Obligations in the national electricity and gas markets	A
National Framework for Energy Efficiency	A
Gas market development	A
Australian Energy Regulator	
<ul style="list-style-type: none"> ▪ Revenue reset for NSW electricity transmission businesses 	A
<ul style="list-style-type: none"> ▪ Revenue reset for NSW/ACT electricity distribution businesses 	A
<ul style="list-style-type: none"> ▪ Revenue reset for Transend (Tasmania) electricity transmission business 	A
<ul style="list-style-type: none"> ▪ Revenue reset for ETSA (South Australia) electricity distribution business 	A

Work programs of regulatory organisations and policy making bodies for the coming year

	Priority level
▪ Revenue reset for Ergon and Energex (Queensland) electricity distribution businesses	A
▪ Revised access arrangement for AGL Gas in NSW and Moomba-Sydney	A
▪ Reports on generator prices above \$5,000 MWh	B
▪ Guideline on regulatory approach to demand management	A
Australian Energy Market Commission	
▪ Participate in relevant Rule change applications	B
▪ Review of demand side participation in the NEM	A
▪ Demand management Rule change proposed by TEC	A
▪ Review of competition in the retail energy market in South Australia (2008)	A
▪ Review of competition in the retail energy market in New South Wales (2009)	A
▪ National transmission planner	A
▪ WACC parameters Rule change	A
▪ Compensation under administered pricing	C
Carbon pricing Emission trading	
▪ Develop of a national carbon pricing and emissions trading system	A
Victorian Government	
▪ Amendments to retail pricing regulation resulting from the AEMC's review of competition in energy retail markets	A
South Australian Government	
▪ Amendments to retail pricing regulation resulting from the AEMC's review of competition in energy retail markets	A
Queensland Competition Authority	
Benchmark Retail Cost Index 2009-10	A

Research Projects

To be identified

'A' priority - funding must be provided because of their importance to consumers;

"B" priority - for projects that should be funded, if funds are available; and

"C" priority - for projects that should only be undertaken if all A and B projects have been funded.