

Australian Council of Social Service and
National Consumers Electricity Advocacy Panel

NEM Advocacy – Low income and disadvantaged consumers

NCEAP project reference: Application 133

Progress Report #3:

Period 21 December 2006 through 30 June 2007

Provided under the terms of the Agreement

Tony Westmore, Senior Policy Officer (Electricity)

Introduction:

ACOSS made application to the Panel for financial support of work to facilitate advocacy of consumer interests in the National Electricity Market. ACOSS and the project it proposed have a particular focus on consumers with low and fixed incomes and who are otherwise disadvantaged. ACOSS proposed a project with a focus on issues of regulation, retail codes and pricing. ACOSS proposed a project that involved the employment of a policy officer, work directed to consultation, information dissemination and advocacy.

The policy officer employed by ACOSS, Tony Westmore, commenced work on the project in February of 2006 on a two-day per week basis and has worked four-days per week since early May 2006. The national energy market reform program has been characterised over the duration of the project by changing agendas, shifting schedules, proposals of significance and substantial detail, short time frames for consideration and response. ACOSS has endeavoured to keep abreast of development and to respond as appropriate.

Summary of progress: highlights

Market reform: the two key work areas for the first half of 2007 were driven by the Retail Policy Working Group (the National Framework for Non-Economic Distribution and Retail Regulation) and the Smart Meter Stakeholder Working Group (towards a roll-out of advanced metering infrastructure as mandated by the Council of Australian Governments).

ACOSS was invited to join the Stakeholder Reference Group of the RPWG and the policy officer has taken that task. The four 'small consumer' representatives have worked cooperatively on approaches to the RPWG process generally and on with other members of the National Consumers' Roundtable on submissions in response to the 'composite' consultation paper (lodged July). ACOSS has taken care to identify issues of particular concern to low income and disadvantaged consumers and to engage policy staff in other COSS.

The Smart Meter process results from a COAG directive to MCE issued in February 2006. The Department of Industry Tourism & Resources commenced a process of consultation in January 2007 that continued through the half. The process was characterised by urgency and was unexpectedly time consuming. The result from considerable effort was a fairly weak response from COAG but an improved and more extensive process of consultation towards cost benefit study that promises to take account of consumer interests.

NEM Objective: ACOSS and the policy officer contributed to development of a campaign coordinated by the Total Environment Centre directed to modification of the NEM objective such that it address environmental and social issues. The campaign included a declaration of issues, a media release and correspondence with federal and other energy ministers.

Information and coordination for COSS policy staff: Over the course of the six month reporting period the policy officer organised a two-day meeting of COSS staff in Melbourne, two other post-Roundtable face-to-face meetings and a teleconference. The agenda for the two-day meeting is appended to this report.

Advocacy: on 20 June the ACOSS policy officer along with other members of the National Consumers' Roundtable on Energy met with advisers to Minister Ian Macfarlane and with the Opposition spokesperson on energy matters Senator The Hon Chris Evans to discuss a range of market reform issues from a consumer perspective.

Climate change, emissions trading, the national electricity market, equity and related issues: ACOSS was invited to meet with others to consider detailed proposals for an emissions trading scheme as developed by the states and territories ahead of the Prime Minister's Taskforce on Emissions Trading. This half year also saw the community welfare sector engage more earnestly with these issues; the Brotherhood of St Laurence commissioned research on equity implications of emissions pricing and, with others, convened a roundtable of community and environment organisations to consider questions of equity in relation to climate change and responses. Current issues include: efficiency measures, safety net and compensation, education and awareness, pricing and tariff design. ACOSS is partnering with Australian Conservation Foundation and Choice to produce a comprehensive assessment of these issues and potential responses.

National Consumers Electricity Advocacy Panel (the Panel): ACOSS made two submissions in response to consultation papers issued by the Panel and concerned with its processes and resources.

Consumers' energy website: The policy officer has continued with work a project to develop a publicly accessible website holding energy related content and links.

The policy officer took four weeks of accrued annual leave in the period ending 30 June; one in January and three over May and June.

Meetings and consultations:

Department of Energy, Utilities & Sustainability (Consumer Committee): meeting 17/01, Sydney
 Retail Policy Working Group Stakeholder Reference Group: briefing 18/01, Sydney
 Department of Industry Tourism & Resources: meeting consumers and retailers 23/01, Canberra
 National Energy Consumers Roundtable: teleconference: 23/02
 COSS workers and others, meeting 05-06/02, Melbourne
 Retail Policy Working Group Stakeholder Reference Group: briefing 08/02, Melbourne
 Smart Meter Stakeholder Working Group: consultation 14-15/02, Melbourne
 Smart Meter Stakeholder Working Group: consultation 20/02, Melbourne
 National Energy Consumers Roundtable: teleconference: 23/02
 Origin Energy National Customer Consultative Council: meeting 06/03, Melbourne
 National Consumer Congress: conference 14-15/03, Melbourne
 Retail Policy Working Group Stakeholder Reference Group: briefing 14/03, Sydney (via teleconference)
 National Emissions Trading Taskforce (Industry & Environment Stakeholders): meeting 20/03, Canberra
 Equity in Response to Climate Change: meeting 26/03, Melbourne
 National Energy Consumers Roundtable: meeting 28-29/03, Melbourne
 COSS workers and others: meeting 29/03 Melbourne
 Department of Energy, Utilities & Sustainability (Consumer Committee): meeting 04/04, Sydney
 National Energy Consumers Roundtable: teleconference: 24/04
 Department of Industry Tourism & Resources and The Treasury: meetings 27/04, Canberra
 Public Interest Advocacy Centre: Allan Asher, CEO Energy Watch UK workshop 04/05, Sydney
 Smart Meter Stakeholder Working Group: consultation 10/05, Melbourne
 Ministerial Council on Energy: Exposure draft National Electricity Rules forum 11/05, Melbourne
 National Energy Consumers Roundtable: meeting 18-19/06, Canberra
 COSS workers and others: meeting 19/06 Canberra
 National Energy Consumers Roundtable: advocacy meetings 20/06, Canberra
 Smart Meter Stakeholder Working Group: consultation 21/06, Sydney
 Retail Policy Working Group: public forum 26/06, Sydney

ACOSS submissions and etc:

08/03 [jointly developed between consumer stakeholders and then with other stakeholders and departmental officers] Smart Meter Stakeholder Working Group communiqué to COAG Secretariat regarding concerns and priorities in work towards deployment of advanced metering infrastructure

10/04 statement to COAG regarding Smart meters, approaches to a roll-out, cost benefit analyses and demand-side response measures

12/04 submission to AEMC re *Draft statement of approach – Reviews of effectiveness of competition in gas and electricity retail markets*

17/05 response to NCEAP paper *A structured approach to the allocation of the Panel's funding budget for 2007/2008*

17/05 response to NCEAP paper *How can the effectiveness of projects be assessed? and Fixed costs included in project budgets – should they be funded by the Panel*

21/05 [jointly developed with Total Environment Centre and others] materials including statement and media release *Power for the People* regarding NEM objective

31/05 opinion piece by ACOSS, ACF and Choice published *The Age Emissions trading, low income households and fairness*

Research and development:

Retail Policy Working Group: National Framework for Distribution and Retail Regulation
 Working Paper 2 – distributor obligation to provide connection services and the interface with retailers and embedded generators
 Working Paper 3 – business authorisation, ring-fencing, and retailer failure arrangements
 Working Paper 4 – balancing regime and settlements affecting customer transfer, and metering
 Working Paper 5 – enforcement mechanisms and statutory objectives
 ‘Composite’ Consultation Paper

Exposure draft of the *National Electricity Law*

Second exposure draft of *Australian Energy Market Commission Establishment (Consumer Advocacy Panel) Amendment Bill 2007 (SA)*

COAG Response to Energy Market Reform Implementation Group (ERIG) and the MCE Report on Smart Meters

Smart meters, advanced metering infrastructure and related matters
 Price regulation, competition and regulation

Climate change, emissions pricing, efficiency and equity (low income and disadvantaged households)

Meeting of COSS Policy Staff – National Electricity Market

Monday 05 and Tuesday 06 February, Melbourne

In attendance: Peter Sutherland (ACTCOSS), Rebekah Garwood (WACOSS), Mark Henley (Wesley UnitingCare SA), Dean Lombard (VCOSS), Rebekah Pick (QCOSS), Kath McLean (TasCOSS), Anna Kennett (SACOSS), Tony Westmore (ACOSS).

Monday 05/02

- 10:30 introductions and agenda review
- 11:00 the across nceap project, related state-based projects,
other consumer advocates and the national consumers' roundtable
- 11:30 poverty and energy
- 12:00 national reform agenda:
framework for national regulation of energy markets: work in train, ahead
structure, institutions and reform program
council of australian governments [coag]
energy reform implementation group [erig]
australian energy market agreement [aema]
ministerial council on energy [mce], standing committee of officials [mce sco]
australian energy market commission [aemc]
australian energy regulator [aer]
structure of industry: generation, transmission, distribution, retail
architecture for regulation: laws, rules, business authorisation
jurisdictional derogations and related matters [ombudsman]
- 1:00 lunch
- 1:30 role of across: informing sector, networking and advocacy
lobbying ie ministers, officials (including federal/state issues)
- 2:00 the retail policy working group [rpgwg] and stakeholder reference group [rpgwg srg]
competition policy, consumer protection and 'the market'
[trade practices act and fair trading acts]
paper #1: obligation to supply, market contracts, marketing
other papers, consultation and advocacy
- 5:00 the national electricity law: amendments, relevance, advocacy
- 5:30 day one close

Tuesday 06/02

- 9:00 review day one and agenda for day two
- 9:15 sustainability and affordability: priorities, engagement
- 10:00 demand management and metering
- 11:00 hardship, income support, emergency relief, concessions, rebates and etc
- 12:30 lunch
- 1:00 the future of the across project, the advocacy panel
- 1:30 communications between coss energy workers, the roundtable
- 2:00 review decisions, planning for work
- 3:00 close