

Australian Council of Social Service and
National Consumers Electricity Advocacy Panel

NEM Advocacy – Low income and disadvantaged consumers

NCEAP project reference: Application 254 (an extension of Application 133)

Progress Report #4:

Period 01 July 2007 through 30 September 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 developments and to respond as appropriate.

Summary of progress: highlights

Market reform: two key work areas for the third quarter 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).

The ACOSS policy officer is one of four consumer representatives to the Stakeholder Reference Group of the RPWG. Consumer representatives have worked cooperatively on approaches to the RPWG process generally and with other members of the National Consumers' Roundtable on submissions in response to the 'composite' consultation paper. 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 ACOSS submission in response to the 'composite' paper is enclosed.

At the end of the quarter there was no clear indication from RPWG, SCO or MCE about how the process would go ahead.

The Smart Meter process results from a COAG directive to MCE issued in February 2006 and refreshed in April 2007. The directive commits to a 'progressive roll out of smart meters'... 'to areas where benefits outweigh costs'. The ACOSS policy officer is one of four consumer representatives to the Smart Meter Stakeholder Working Group and has participated in that capacity in consultations towards the specification and conduct of a cost-benefit analysis including the presentation of initial findings.

At the end of the quarter the release of results of Phase 1 of the consultancy, towards definition of a minimum functional specification, was anticipated.

Information and coordination for COSS policy staff: Over the course of the three month reporting period the policy officer facilitated communication between COSS staff to consider

coordinated responses to the RPWG composite paper and developments in the smart meter project.

Climate change, emissions trading, the national electricity market, equity and related issues: ACOSS is partnering with Australian Conservation Foundation and Choice to produce a comprehensive assessment of these issues and potential responses. Over the quarter July to September this work advanced to a near complete report and a strategy for release and advocacy. The report (as was) and a project plan are enclosed. The policy officer was responsible for research, drafting and editing, liaison with partners.

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

Consumers' energy conference: The policy officer has commenced work to develop proposals for a national conference to be held second half 2008

Energy efficiency: In response to the consultation paper for NFEE Stage 2, the policy officer made a presentation about issues affecting low income consumers to a 'consultation event' with a diverse audience of consumers, industry stakeholders, government and market institutions 25 September, Melbourne).

The policy officer increased regular hours of work from four days per week to full time effective 27 August 2007.

Meetings and consultations:

Retail Policy Working Group: consumer briefing 03/07, Melbourne
 COSS workers: meeting re RPWG response 12/07, (via teleconference)
 National Energy Consumers Roundtable: teleconference 13/07 (smart meters)
 Smart Meter Stakeholder Working Group: consultation 16/07, Sydney
 Consumers Utility Advocacy Centre: expert forum on pricing 16/08 Melbourne
 Smart Meter Stakeholder Working Group: consultation 28-29/08, Melbourne
 National Energy Consumers Roundtable: teleconference 31/08
 Origin Energy National Customer Consultative Council: meeting 06/09, Melbourne
 Smart Meter Stakeholder Working Group: consumers caucus 21/09 (via teleconference)
 National Framework on Energy Efficiency: consultation 25/09, Melbourne
 Department of Water & Energy (Consumer Committee): meeting 26/09, Sydney

ACOSS submissions and etc:

01/08 ACOSS Response to National Framework for Distribution and Retail Regulation Composite Paper, June 2007

30/09 ACOSS/ACF/Choice joint research and advocacy project: Climate change and emissions pricing: efficiency, equity and disadvantage

Research and development:

Retail Policy Working Group: National Framework for Distribution and Retail Regulation Working Paper 5 – enforcement mechanisms and statutory objectives
 'Composite' Consultation Paper
 Information Paper – *Interface between the national energy framework and jurisdiction specific issues*

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, energy efficiency and equity (low income and disadvantaged households)