

Consumer Action Law Centre

**Report to the National Consumers Electricity Advocacy Panel (the Advocacy Panel)
Pursuant to Funding Agreement July 2008- June 2009
Application 299**

NEM NETWORK COORDINATOR AND RESEARCHER

1 July 2008 – 31 October 2008

1. Project Overview

The NEM Network Coordinator and Researcher (the **Project**) is made up of the following ongoing components:

- Network – maintaining a network of national stakeholders and continuing to develop mechanisms for information building and sharing.
- Communication via telephone conferences – undertaken to link up advocates, including those funded by the Advocacy Panel, from around Australia.
- Newsletter – the publication of an email newsletter providing information about NEM regulatory processes that affect small end-users of energy, and current work undertaken by NEM Network members.
- Consumer roundtables – enable NEM Network members to share information, identify areas of consensus and develop individual and joint strategies to enable both individual and collaborative representations to the MCE and to facilitate direct meetings with national regulatory bodies.
- Advocacy – develop mechanisms for the delivery of collaborative advocacy in relation to the NEM, as well as providing written submissions to the Ministerial Council on Energy (**MCE**), the Australian Energy Market Commission (**AEMC**), the Australian Energy Regulator (**AER**) and other relevant energy regulatory and governance consultations.

Janine Rayner has been the Project Coordinator during the funding period. Janine worked on the Project jointly with Gerard Brody, Deputy Director – Policy and Campaigns. The Project has additionally been overseen by Consumer Action co-CEO Catriona Lowe.

Gerard Brody left Consumer Action in November 2008. His role in the project has been assumed by Nicole Rich, Director – Policy and Campaigns, from the next reporting period.

2. Project Tasks Completed

2.1 Network and teleconferences

The Project has established a national network of consumer, welfare and environment organisations (**NEM Network**) since its inception in 2004. During the reporting period, the Project continued to:

- develop effective communication between members of the NEM Network;
- develop knowledge building mechanisms via telephone conferences, an on-line chat group, face-to-face meetings and communications around written submissions; and
- enhance the profile of the NEM Network.

In particular:

- NEM Network members participated in joint and individual research and submission writing, including a substantial joint submission from NEM Network members to the MCE Standing Committee of Officials (**SCO**) on the National Energy Customer Framework in August 2008;
- Consumer Action released an edition of 'On the Wire';
- NEMCHAT, the online email group set up to assist NEM Network members to communicate in relation to the MCE reform process, has continued to be used by NEM Network members to update other NEM Network members on outcomes of a number of MCE consultations. Hundreds of messages have been posted on NEMCHAT during the reporting period. NEMCHAT currently has 40 members nationally; and
- Consumer Action hosted a teleconference to discuss the Federal Government's Carbon Pollution Reduction Scheme (**CPRS**) green paper, including identifying what issues are important to consumers, for example assistance to households, compensation to emissions intensive trade exposed (**EITE**) industries and the Electricity Sector Adjustment Scheme, determining how to address these issues, and discussing any feedback or information from meetings with Ministers. The option of a Roundtable response was also discussed.

2.2 On the Wire

The eighteenth edition of *On the Wire* was published and distributed on 26 September 2008. A copy is attached. The next edition will be released in December 2008.

2.3 Roundtables

The third roundtable for 2008 was organised during the reporting period (and held during the next reporting period, on 10 and 11 November in Melbourne). Further details will therefore be included in our report for the next reporting period.

2.4 Advocacy

The Project has undertaken direct advocacy, by seeking meetings and making representations to politicians and government officials. In addition, advocacy activity has included letter writing, meetings and attending workshops with stakeholders, including:

- a meeting with the office of the Victorian Energy Minister to discuss the framework for publication of market rates by retailers following price deregulation in Victoria pursuant to the AEMC's Second Final Report recommendations, with an emphasis on ensuring consumers have access to information to make informed choices about energy contracts;
- a meeting with the Victorian Department of Primary Industries (**DPI**) to discuss the implications of the AEMC's recommendations and publication requirements for energy retailer contract offers;
- workshops as part of the Victorian Essential Services Commission's review of regulatory instruments being conducted in light of national developments;
- attendance at Victoria's Advanced Metering Infrastructure Communications Working Group meetings;
- the follow-up stakeholder consultation for the National Energy Customer Framework on 7 July 2008 in relation to the draft national framework for distribution and retail regulation; and
- numerous other meetings and discussions with government officials from the DPI and the Federal Department of Resources, Energy and Tourism.

In addition, the Project attended meetings of:

- the Essential Services Commission, Consumer Consultative Committee;
- the Energy and Water Ombudsman of Victoria, Case Handling Advisory Committee; and
- the AGL Consumer Council.

The Project also attended, with the support of the Advocacy Panel's funds for professional development, the ACCC Regulatory conference on 24 and 25 July 2008.

The Project has delivered three submissions to regulatory processes during the reporting period, included below. Additional submissions were made to the Advocacy Panel.

(a) Department of Climate Change – Carbon Pollution Reduction Scheme Green Paper

Consumer Action provided a submission to the CPRS Green Paper emphasising that the success of the scheme would largely rely on:

- limited exclusions (wide industry coverage);
- very limited compensation for EITE industries;
- no compensation for coal-fired electricity generators;
- its ability to provide incentives for business to find least cost abatement measures;
- compensation to ameliorate the price impacts of the CPRS on households; and
- a strong consumer protection framework to ameliorate the impact of the CPRS upon consumers.

A copy of the submission is attached.

(b) MCE SCO - National Energy Consumer Framework

Consumer Action provided a submission to the MCE SCO outlining key issues with the proposed National Energy Consumer Framework, including business authorisation, guidelines for licensing, exempt networks, the regularity and timeliness of performance reporting, enforceable undertakings and statutory objectives.

In addition, Consumer Action submitted the NEM Network members' joint response to the MCE SCO's table of recommendations highlighting areas where we believe consumer protections need to be strengthened.

A copy of the submission is attached.

(c) Essential Services Commission Victoria – joint submission with Consumer Utilities Advocacy Centre (CUAC) to the Review of Energy Regulatory Instruments

Consumer Action provided a joint submission with CUAC, attached.

(d) Advocacy Panel

Consumer Action co-ordinated a Roundtable response to the Advocacy Panel's Draft Budget 2009-2010.