

## Call for Research grant applications

The Panel invites grant applications for research initiated by consumer organisations, individuals and academic institutions on priority consumer energy issues. The deadline is close of business Monday 28 February 2011.

The Panel commissioned independent expert advice from the Allen Consulting Group which identified the following priority energy issues and can be downloaded on the Panel website:

1. National Energy Consumer Framework (NECF) implementation.
2. Impact of price increases on consumers
3. Demand side participation
4. Consumer engagement

The Panel encourages applicants to present objectives and outcomes that differ from those presented in the ACG report, and which reflect their priorities.

## Message from the Editor:

Thank you to everyone who responded so positively to our first edition of *CAPtions*, last December.

We always welcome feedback, especially hearing from any consumer organisation wanting to share the story of how their grant assisted electricity or gas consumer advocacy, for future editions of *CAPtions*.

Thank you,

Kerry Connors  
Executive Director

[To submit a story, subscribe, unsubscribe, or provide a comment, please email:](#)

[info@advocacypanel.com.au](mailto:info@advocacypanel.com.au)

## Recently approved grants

The following advocacy grants have been approved by the Panel since December 2010.

- **Meta Economics Consulting Group**—to create a report detailing electricity issues such as connection costs for NSW farmers based on a survey distributed through the Farmers Federation, in order to increase the understanding of the NEM decision makers. **(\$53,800).**
- **West Australian Council of Social Service:** gas consumer-based analysis submission to the Economic Regulator of WA's public consultation on creating a new method of selecting the debt risk premium. **(\$20,500).**
- **Consumer Action Law Centre and Consumer Utilities Advocacy Centre:** support for intervention in Australian Competition Tribunal proceedings on AER Victorian distribution price determination. To ensure the consumer perspective is effectively represented at the Tribunal; and to build the participation capacity of small-end user representatives in technical and appeal regulatory processes. **(\$103,800).**

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## Grant Applications Calendar —first quarter of 2011

Below is a list of the next three deadline dates for grant applications—with a Panel meeting and decision date relevant to each application deadline.

<u>Deadline for Grant Applications</u>	<u>Relevant Panel Meeting / Decision Date</u>
<b>Friday 18 February</b>	Thursday 10 March
<b>Friday 11 March *</b>	Thursday 10 April *
<b>Friday 21 April</b>	Thursday 12 May

\* Please note that the 14th of April Panel meeting will consider Capacity Building grant applications.

## Pass it on!

*Please feel free to pass on this newsletter to any individual or organisation that may be interested.*

**ADVOCACY IN ACTION****Victorian Tariff Tracking Project  
by Gavin Dufty, St Vincent de Paul Victoria**

Following the deregulation of Victorian domestic energy prices, the St Vincent de Paul Society believed there was a need to track and monitor changes in domestic gas and electricity pricing, for both market and standing offers.

It received Panel funding to track electricity and gas tariffs in Victoria prior to and post price deregulation – the period July 2008 to July 2010. Vinnies also developed a series of digital tools (using Excel based spreadsheets) that allow Victorian consumer advocates to build on and enhance the

*“The report findings were then used by both government energy policy makers and the media to encourage consumers to seek better deals on their electricity and gas.”*

initial analysis, and also provide a template for advocates in other States. This tool also includes the capacity to update and track energy pricing changes as they occur.

We were delighted with the outcomes of the Tariff Tracking project, with the spreadsheets and associated reports still being used extensively in Victoria.

Vinnies held a workshop for consumer advocates to explain the spreadsheets and tariff tracking tool, and to familiarise consumer advocates with their use. An important factor in the success of these tools is that the spreadsheets can be easily expanded for on-going use and analysis of future changes in energy pricing.

Consumer advocates in NSW and South Australia are actively investigating how they can be used in their jurisdictions.

The Panel’s funding also provided for an analysis of tariff changes on various household consumption levels and tariff types and the impact of energy bills since 2008, particularly low-income households. The report findings were then used by both Government energy policy makers and the media to encourage consumers to seek better deals on their electricity and gas.

The report received extensive coverage over a number of months in both the daily and local print and electronic media and has increased consumer awareness of energy tariffs and their impact on household bills. I personally believe the greatest success came through the extensive local coverage given by the Leader newspaper group, whose 38 community newspapers customised pricing information specific to each local community.

The report and worksheets can be downloaded from the Panel’s [website](#) or at <http://www.vinnies.org.au/reports-vic>

**TasCOSS Energy Research and Advocacy Project (July-October 2010)  
by Kath McLean, Policy and Research , TasCOSS**

The Tasmanian Council of Social Service is the peak body for the community services sector in Tasmania. The Panel’s provision of funding for a part-time policy officer for 2010/11 allows TasCOSS to represent Tasmanian domestic electricity and gas consumers, particularly low-income consumers, in national and state energy decisions.

So far this year, we’ve discussed issues affecting Tasmanian consumers with the Australian Economic Regulator (AER) as it develops its performance reporting and compliance regime for retailers, and participated in the AER’s workshop on distribution network regulation. We continue to work with the Office of the Tasmanian Economic Regulator

(OTTER) through its Customer Consultative Committee, to feed directly into OTTER’s decision-making.

TasCOSS is also the only Tasmanian participant in the National Consumers Roundtable on Energy, which has facilitated collaboration on issues of common concern.

One of the most important activities in this period was our involvement in the Tasmanian Economic Regulator’s decision on retail prices. TasCOSS and its members were concerned that the proposed increases in residential electricity prices from December 2010, and for the following two years, would exacerbate the financial stress

## ADVOCACY IN ACTION

### TasCOSS research and advocacy (cont'd)

already experienced by many low-income households in Tasmania.

TasCOSS undertook an advocacy campaign for affordable energy for low-income households:

- We made a formal submission to the draft decision, which we believe contributed to the Regulator's decision to minimise price rises as much as possible and to smooth the increases over time – the final approved increase was 8.8%, still significant but lower than originally proposed. OTTER also

formally conveyed to the Tasmanian Government its concerns about affordability and energy efficiency.

- We published and promoted, with Anglicare Tasmania, *Making electricity affordable: a four point action plan*—a detailed advocacy document proposing a life-line tariff, consumption-based concessions, increased emergency relief funding and a major investment by the State Government in energy efficiency programs for low-income households.

To download a copy of our joint Anglicare *action plan* please click [here](#)

### Consumer Action Law Centre—Submission to the AER Victorian electricity distribution price review (EDPR)

by Janine Rayner, Senior Policy Officer, Consumer Action

In an environment where household budgets are under increasing pressure, the Consumer Action Law Centre (Consumer Action) recognised the important advocacy opportunity presented by the recent Victorian electricity distribution price review (EDPR). Determined by the Australian Energy Regulator (AER), the EDPR is held every five years to set the revenue and prices electricity distribution businesses can charge customers – an amount that equates to about 40% of a customer's total bill.

Consumer Action wanted to ensure the AER applied a critical eye to the distribution businesses proposals, to prevent unnecessary costs being approved.

Because the EDPR is a highly technical process, requiring economic expertise and resources far exceeding Consumer Action's capacity, we applied for a Panel grant to hire an experienced consultant to analyse and 'translate' the complex proposals and regulatory analysis. We were then able to create a meaningful and informed report which substantially increased our own and the advocacy sector's understanding of the issues, and enhanced future participation in similar processes.

Consumer Action's submissions examined the necessity of the distributors' proposed expenditure, the reasonableness of expected costs and the price and service impacts these

would have on various residential electricity consumer groups. Issues such as data transparency, accuracy of both distributors' capex and customer contribution forecasts, inclusion of smart meter costs and international research regarding Market Risk Premium were all central to our submission.

We demonstrated that, historically, distributors' forecast expenditure had far exceeded their actual spend. Between 2001 and 2007 the distributors had asked the AER to increase prices based on expenditure estimates that were ultimately almost \$600 million dollars more than they actually spent.

Consumer Action devoted a great deal of time and resources trying to keep price increases within reasonable limits. That work was reflected in the AER's final pricing decision allowing distributors to impose a modest increase in prices over the next five years, while rejecting those forecasts that would have resulted in much higher prices for consumers.

All five distributors have since submitted applications to the Australian Competition Tribunal to appeal those determinations – a process we believe is incredibly unfair to consumers as the distributors will be able to cherry-pick – appealing only those parts unacceptable to them, while retaining the determination's more beneficial aspects.

**FOR REGULAR UPDATES, GRANT  
GUIDES & FAQs, ETC  
SEE OUR WEBSITE:**

[www.advocacypanel.com.au](http://www.advocacypanel.com.au)

## Forthcoming opportunities for advocacy—February-December 2011\*\*

Projects	Stages	Dates	Customers Affected
<b>AER</b> Regulatory determinations – resets Victorian electricity distribution (SP AusNet, Citipower, Powercor, United Energy, Jemena)	appeal	Subject to intervention rules for appeal	All Vic electricity
Qld/SA gas distribution (APT Allgas, Envestra (Qld), Envestra (SA))	final decision appeal	Consult. period (Mar 2011) Subject to intervent. rules for appeal (Jun 2011)	All Qld and SA gas
Amadeus Basin gas transmission	draft decision final decision appeal	Consult. period (Jan-Feb 2011) Consult. period (Mar-Apr 2011) Subject to intervent. rules for appeal (Aug 2011)	NT industrial gas
Powerlink electricity transmission	draft decision final decision appeal (beyond 2011)	Consult. period (Jun-Jul 2011) Consult. period (Dec 2011-Jan 2012) Subject to intervent. rules for appeal	All Qld electricity
Aurora electricity distribution	draft decision final decision appeal (beyond 2011)	Consult. period (Jun-Jul 2011) Consult. period (Dec 2011-Jan 2012) Subject to intervention rules for appeal	All Tas electricity
Roma to Brisbane gas transmission	draft decision final decision (beyond 2011) appeal (beyond 2011)	Consult. period (Oct-Nov 2011) Consult. period Subject to intervention rules for appeal	All Qld natural gas
<b>Regulatory determinations – ad hoc</b> Pass thru - Energy Australia – solar bonus		No definite consult. dates yet due to extension	All NSW electricity in EA's distribution area
<b>Guideline development</b> Connections electricity distribution	timeframes subject to NECF legislation	No definite consult. dates yet	All electricity (except WA and NT)
STPIS amendment – Powerlink	proposed scheme	Consult. period (3 Dec + 30 bus. days)	All Qld electricity
STPIS amendment – Full review	issues paper		All electricity (except
<b>AEMC</b> <b>Market Reviews</b> Use of Total Factor Productivity for determination of Prices & Revenues	consult. on draft report	Submissions due 10 Feb	All NEM electricity
Effectiveness of competition in the ACT electricity market	preparation of final report	Final report due 28 Feb	All ACT electricity
<b>Rule Changes</b> Network support and control ancillary services	preparation of draft report	Submissions due 25 February	All NEM electricity
Inter-regional transmission charging	preparation of draft report	Submissions due 25 Feb	All NEM electricity
Scale efficient network extensions	draft report (published 10 March)	Submissions due 5 May	All NEM electricity
<b>Reliability Panel</b> Reliability and Emergency Reserve Trader	Consult. of draft report	Submissions due 10 Feb	All NEM electricity

\*\* The above information is current at the time of publication—please check the websites of the [AER](#) and [AEMC](#) for the latest updates.