

NATIONAL ELECTRICITY CONSUMERS ADVOCACY PANEL

635 Canterbury Road Surrey Hills Victoria 3127
P O Box 43 Surrey Hills Victoria 3127
Phone (03) 9899 5111 Facsimile (03) 9899 1666
Email info@advocacypanel.com.au
ABN 42 203 580 500

Request for comments

A structured approach to the allocation of the Panel's funding budget for 2008/2009

The Advocacy Panel would appreciate comments from stakeholders as to the topics that should be addressed through its advocacy and research agenda for 2008/2009. For the purposes of this consultation, the Panel has assumed that the *Australian Energy Market Commission Establishment (Consumer Advocacy Panel) Amendment Act 2007* will commence on 1 July 2008 and therefore in 2008/2009 the Panel will be responsible for funding gas advocacy and electricity research as well as electricity advocacy.

The Panel notes that the advocacy and research agenda to be developed from this consultation with stakeholders 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.

The Panel's advocacy and research agenda for 2008/2009 will relate to projects that are eligible for funding under the Panel's grant allocation and application guidelines presently under consultation with stakeholders. The consultation will conclude on 11 June 2008. When proposing projects for inclusion in the advocacy and research agenda stakeholders should refer to the draft grant allocation and application guidelines to ensure that the projects are eligible for funding. The guidelines can be found at <http://advocacypanel.com.au/updates.htm>.

The Panel's approved budget for its advocacy and research agenda is as follows:

Budget 2008/2009			
	Electricity Funding \$	Gas Funding \$	Total \$
Advocacy projects for			
Electricity	1,597,000		1,597,000
Gas		284,000	284,000
Joint Electricity/Gas	54,000	54,000	108,000
Research projects for			
Electricity	135,000		135,000
Gas		81,000	81,000
Joint Electricity/Gas	27,000	27,000	54,000
	<u>1,813,000</u>	<u>446,000</u>	<u>2,259,000</u>

Set out below is an outline of the work programs of regulatory organisations and policy making bodies for the coming year.

Stakeholders are asked to consider the outline and advise of

- Any new projects that should be included in the agenda together with a brief explanation as to why they should be included;
- Any projects that should be excluded from the agenda with a brief explanation as to why they should be excluded;

- The priority for funding for each project, including any new projects. Projects should be marked with an 'A' priority if funding must be provided because of their importance to consumers; a "B" priority for projects that should be funded, if funds are available; and a "C" priority for projects that should only be undertaken if all A and B projects have been funded.

Please forward your response by email to info@advocacypanel.com.au by **20 June 2008**.

The Panel will respond to your comments by publishing an agreed advocacy and research agenda thus enabling end-user advocates to plan their activities in terms of the tasks they wish to be involved in.

Thank you for participating in this consultation.

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

Advocacy Projects

Ministerial Council on Energy

Australian Energy Market Operator - development of AEMO and its structure and powers including national transmission planning

Smart meter roll-out

National Stakeholder Steering Committee activities

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

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

Development of national arrangements for energy distribution (non-economic) and retailing (non-price) regulation

Review of Community Service Obligations in the national electricity and gas markets

National Framework for Energy Efficiency

Gas market development

Priority level

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

Priority level

National Gas Law and Rules

Australian Energy Regulator

Revenue reset for NSW electricity transmission businesses

Revenue reset for NSW/ACT electricity distribution businesses

Revenue reset for Transend (Tasmania) electricity transmission business

Revenue reset for ETSA (South Australia) electricity distribution business

Revenue reset for Ergon and Energex (Queensland) electricity distribution businesses

Revised access arrangement for AGL Gas in NSW and Moomba-Sydney

Reports on generator prices above \$5,000 MWh

Guideline on regulatory approach to demand management

Australian Energy Market Commission

Participate in relevant Rule change applications

Review of demand side participation in the NEM

Demand management Rule change proposed by TEC

Review of competition in the retail energy market in South Australia (2008)

Review of competition in the retail energy market in New South Wales (2009)

National transmission planner

WACC parameters Rule change

Compensation under administered pricing

Congestion management review

Carbon pricing Emission trading

Develop of a national carbon pricing and emissions trading system

Victorian Government

Amendments to retail pricing regulation resulting from the AEMC's review of competition in energy retail markets

South Australian Government

Amendments to retail pricing regulation resulting from the AEMC's review of competition in energy retail markets

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

Priority level

Queensland Competition Authority
Benchmark Retail Cost Index 2009-10

Research Projects

To be identified

David J L Bremner
Executive Officer
2 June 2008