



ON THE WIRE

National Electricity Market **Capacity Building in the Community Sector**

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The much-anticipated Options Paper from the Ministerial Council on Energy on the National Framework for Electricity and Gas Distribution and Retail Regulation was released on 13 October.

The previous two editions have indicated that a 1-day community roundtable was planned to enable community advocates to prepare a response to the Options Paper. This is still the plan and will eventuate towards the end of November / early December. We will advise NEM Network members of possible dates for the roundtable as soon as they are finalised. In the meantime, advocates wanting to talk about agenda items for the Roundtable should contact Anthony Jayamaha at the Consumer Law Centre Victoria (CLCV) or Kerry Connors at the Consumer Utilities Advocacy Centre.

As part of our training program, on 18 October, the CLCV held an introductory seminar on the National Electricity Market (NEM). The seminar was for the benefit of the Financial and Consumer Rights Council as part of their professional development program and about ten of their members attended. The seminar covered the following topics:

- An outline of the CLCV's NEM Project;
- An introduction to the NEM;
- Key consumer issues in the NEM; and
- Opportunities for participation.

As noted in the last edition Natasha Leigh resigned from the CLCV in July to take up a legal position with NEMMCO. Natasha's role as Project Coordinator is currently being shared by Anna Stewart and me (Anthony Jayamaha). Quite co-incidentally my NEM experience has come from working previously as in-house counsel at NEMMCO. I can be contacted on (03) 9629 6300 or by email at tony@clcv.net.au.

Contents

This edition of On the Wire contains a variety of contributions from around the country. I have written the focus issue, which looks at where we are on the road to reform in the NEM. Fiona Guthrie asks a simple question in her quest to evaluate the benefits of FRC. Having looked at the very complex and fundamentally important issue of transmission pricing and revenue, Jane Castle has some advice for the Australian Energy Market Commission (AEMC). In the first of two pieces from the Essential Services Consumer Council (ESCC) of ACT, Kerrie Brotherton has compiled a piece on what the ESCC does. Jim Wellsmore has a NSW update. Kerry Connors and Anna Stewart give us an update on what progress there is to changes in relation to consumer advocacy in the NEM. The member focus in this edition is on the Utility Consumer's Advocacy Project (UCAP) at the Public Interest Advocacy Centre (PIAC). On the subject of research, Kath McLean from TasCOSS discusses her application to conduct a study into the use of prepayment meters in Tasmania; and Jane Bathgate from the Centre for Credit and Consumer Law, Griffith University, tells us she is looking into "Implications for small end-users of Queensland's further integration into the National Electricity Market".



Focus Issue

Where are we on the road to reform of the NEM?

In the September 2004 issue of this publication we gave an overview of the regulatory reform for the NEM proposed by the Ministerial Council on Energy (MCE) in its report "Reform of Energy Markets" (MCE Report). The MCE report, which was issued in response to the Council of Australian Governments (COAG) review on reforming energy markets,¹ was released in December 2003.

The recommendations in the MCE report were favoured by the NEM jurisdictions² and by June 2004 the Commonwealth, State and Territory governments had committed themselves to establishing, and then maintaining, a new national energy market framework by signing the COAG Australian Energy Market Agreement (AEMA).

This article looks at where we are currently on the path proposed by the MCE by looking at the present regulatory structure and the functions of those entities within that structure.

Bodies within the new regulatory framework

The major thrust of the new regulatory framework involved the establishment of the Australian Energy Market Commission (AEMC) and the Australian Energy Regulator (AER). Both these bodies commenced operation on 1 July 2005.

The AER is responsible for the regulation of the wholesale electricity market and transmission networks while the AEMC is responsible for developing the NEM and making Rules under the revised National Electricity Law (new NEL).

Policy direction is now set by the MCE (rather than COAG). The National Electricity Market Management Company (NEMMCO) retains its position as the operator of the wholesale electricity market and is also responsible for system security.

The reforms also mooted that two other bodies, namely the National Electricity Tribunal (NET) and National Electricity Code Administrator (NECA) would cease operations. This will occur when all outstanding matters that arose under the old NEL and National Electricity Code (Code) are finally dealt with or disposed of. The NET's functions of reviewing decisions and civil penalties will now be performed by the Federal and certain Supreme Courts. NECA's market monitoring and enforcement functions have been inherited by the AER, and NECA's market development and Rule making function will be performed by the AEMC.

Legislation to facilitate the reform framework

The *Australian Energy Market Act 2004* (AEMAct) was passed by the Commonwealth and commenced operation on 1 July 2005. Its purpose was to set down the framework of the new energy regulation and the application of the new NEL as a law of the Commonwealth.

Two further establishment Acts also commenced on the same day: one to establish the AEMC (*Australian Energy Market Commission Establishment Act 2004* of South Australia); the (*Trade Practices (Australian Energy Market) Act 2004*) to establish the AER, by amending the *Trade Practices Act 1974* (TPA).

In 2003 the MCE had planned that it would authorise a Memorandum of Understanding (MOU) that would be signed by the AER, AEMC and the Australian Consumer and Competition Commission (ACCC). The MOU was to cover not only the issue of information sharing and staffing at the new bodies, but it was hoped it would promote consultation and cooperation leading to smooth and speedy Rule-change authorisations. The existence of the MOU was agreed to by all NEM jurisdictions via the AEMA and although there has been public consultation on the substance of the MOU, this is still to be finalized.³

1 The Council of Australian Governments Independent Review of Energy Market Directions, "Towards a Truly National and Efficient Energy Market Final Report" released on 20 December 2002.

2 Ministerial Council on Energy, Sixth Meeting Communique, 11 December 2003.

3 Ministerial Council on Energy's Standing Committee of Officials (SCO), "AER-AEMC-ACCC Memorandum of Understanding (MoU) Framework - Discussion Paper", March 2004.



The energy market reforms have resulted in the ACCC no longer needing to authorise changes to the Rules governing the NEM as the Rules are a statutory instrument that have the force of law. A Registered Participant who engages in conduct in compliance with a mandatory duty under the Rules that would otherwise be anti-competitive will not be exposed to a breach of Part IV of the TPA. However, anti-competitive conduct engaged in by Registered Participants that arises out of voluntary acts (eg. price fixing arrangements in connection agreements) will still be subject to Part IV of the TPA. In such instances, Registered Participants can seek and receive an authorisation from the ACCC in relation to such arrangements.⁴

The new regulatory framework required the previous National Electricity Law to be amended and added to, resulting in the new NEL. These amendments came into operation on 1 July 2005. The increased scope of the new NEL is accompanied by powers to make regulations. The regulations are unusual in that they are not subject to the scrutiny of, or disallowance by, the South Australian Parliament. However, since the unanimous agreement of the Ministers of NEM jurisdictions is needed before a regulation comes into existence, there is less chance of this power being abused.

The Code has been amended and updated to reflect energy market reforms and also came into operation on the same day as the NEL. The Code has also been renamed as the certified initial version of the National Electricity Rules, which, as noted above, now has the force of law. To try to ensure a smooth changeover the new NEL and the Rules have included savings and transitional provisions.

The new NEL defines the NEM as the combination of the wholesale market and the electricity system or grid. The new NEL has done away with the multiple market objectives that were part of the Code (such as efficiency and equality for all market participants) and has replaced it with a single NEM objective. Section 7 of the new NEL states:

“The national electricity market objective is to promote efficient investment in, and efficient use of, electricity services for the long term interests of consumers of electricity with respect to price, quality,

reliability and security of supply of electricity and the reliability, safety and security of the national electricity system”.

During the second reading speech of the new NEL, the South Australian energy minister expanded on the meaning of the “long term interests of electricity consumers”. According to the Minister, the NEM now strives to maximise the economic welfare or wellbeing of consumers over the long term. Furthermore, this welfare is maximised with respect to various aspects of the electricity being consumed by end use customers when the NEM is efficient. From an economic perspective, efficient investment in and the use of electricity services will occur when electricity is supplied in the long run at a minimal cost.⁵

The policy significance of this single objective for the NEM is far reaching and some may see the new single objective test as an improvement as it is simpler to apply than the multi-objective test. It is not completely correct to say that under the new NEL, any Rule change will be scrutinised for its impact on the long-term interests of consumers and therefore is potentially beneficial for consumers. While an efficiency test is welcome, unfortunately, the focus here is exclusively on consumer’s interests with respect to cheaper, more reliable and safer fuel, not on the consumer’s interests as they relate to social and environmental repercussions of the NEM. The single objective test, like any cost benefit analysis, provides analysis solely in terms of efficiency. However, decisions regarding the allocation of resources determine not only what is produced in an economy but the allocation of resources between groups within the community. In order to gauge the full impact of a decision affecting the NEM, it is vital to consider the equity or social repercussions as well as the environmental repercussions flowing from that decision and not just the consequences on efficiency. The MCE has yet to give further guidance to the AEMC on the Rule making procedure under the new NEL. When the MCE does so, we consider that it would be truly in the long-term interests of electricity consumers if an improvement in market efficiency is not the sole criterion for evaluating Rule changes.

4 See <http://www.accc.gov.au/content/index.phtml/itemId/255444/fromItemId/54380>.

5 The Second Reading Speech of the National Electricity (South Australia) (New National Electricity Law) Amendment Bill 2005 was read on 9 February 2005.



NEM bodies and their functions

The bodies that now have an impact on the current NEM and how it may appear in the future are the MCE, AEMC, AER, NEMMCO, the State Regulators, the Federal Court and State and Territory Supreme Courts of participating jurisdictions.

The Ministerial Council on Energy

The MCE is responsible for setting the direction of policy at a high level. However, the MCE is not responsible for how the AER or AEMC fleshes out the detail of that direction or the day to day operations of either of these regulatory institutions.

The MCE controls policy by:

- (a) directing the AEMC to carry out a review and then report the findings to the MCE;
- (b) initiating a Rule change proposal, possibly as a result of (a); and
- (c) publishing Statements of Policy Principles which must be consistent with the NEM objective in relation to any AEMC function under the new NEL or Rules.⁶

The Australian Energy Market Commission

The AEMC, as planned, has taken on the functions of administering the Rule making process and of developing energy markets. As it will be seen these functions are intertwined. The AEMC is also responsible for providing policy advice to the MCE on the NEM.

The AEMC has a Chairperson who is assisted by two part-time Commissioners. John Tamblyn, formerly head of the Victorian Essential Services Commission, is the Chairperson. Liza Carver, a Partner with Gilbert + Tobin, and Ian Woodward, an Executive Consultant at the Macquarie Bank, are the Commissioners.⁷

Market development is facilitated by the AEMC reviewing any matter affecting the NEM, at the behest of the MCE or under its own initiative. The review would then conclude whether a Rule change was required. If one was, then any other stakeholders in the NEM except the AEMC itself could make a proposal. A policy goal of the MCE in 2003 was that energy market reforms would clearly differentiate between players and umpires. The new NEL prohibits the AEMC from

initiating any Rule changes, as it is the body that adjudicates on those changes.

Rule changes are based on the old Code change system and are essentially a four stage process.⁸

- (i) Initiation and preliminary assessment of the request for a Rule change

Any person, including NEMMCO, a registered participant, the MCE or the Reliability Panel can initiate a Rule change proposal. Registered Participant here means those registered with NEMMCO in accordance with the NEL. Any person includes any stakeholder or interested person such as end use customers not registered with NEMMCO, or stakeholder groups. Interestingly, the Rule change proposal must include an explanation of how the Rule would or is likely to contribute to the NEM objective.

- (ii) Consultation on a proposed Rule change

Consultation here refers to consultation with any interested person or body. Any person or body may make a written submission or comment in relation to the advertised proposed Rule change. Consultation may involve public hearings, but this is at the sole discretion of the AEMC.

- (iii) Draft Rule determination and further consultation

AEMC must publish its draft determination and its reasons for the determination. It must also invite written submissions on its determination from interested persons or bodies.

- (iv) Final determination and the making of a new Rule

Finally, AEMC must publish its final determination and its reasons for the determination with reference to both the NEM objective and any relevant MCE Statements of Policy Principles.

Participant and jurisdictional derogations are still allowed under the new NEL. Anyone who is the subject of a Rule (including NEMMCO) may seek a participant derogation. A Minister of a participating jurisdiction may seek a jurisdictional derogation. The new NEL

⁶ See s 4, COAG Australian Energy Market Agreement.

⁷ See <http://www.aemc.gov.au/about.htm#contact>.

⁸ See <http://www.aemc.gov.au/electricity.htm>.



specifies relevant considerations for the AEMC in reaching a decision on the granting of a jurisdictional derogation.⁹

The Rule Change procedure also provides for a streamlined or expedited procedure for non-controversial or urgent Rule changes.

The AEMC has had to also establish two panels that perform specialist functions. These are the Reliability Panel (which is required by the new NEL) and Consumer Advocacy Panel (required by the Rules).

The Reliability Panel

The functions of the Reliability Panel are to:

- (a) monitor, review and report on the national electricity system;
- (b) provide advice to the AEMC when asked to on safety, security and reliability of the national electricity system; and
- (c) carry out other functions or powers conferred on it by the new NEL or Rules.

The current panel consists of a representative from NEMMCO, Generators, Market Customers, Transmission Network Service Providers, Distribution Network Service Providers and electricity consumers.¹⁰

The Advocacy Panel

The Consumer Advocacy Panel's function is to allocate funds for advocacy by representatives of both business affected by the NEM and domestic customers of electricity. The make up of the current panels consists of a representative of business customers, domestic customers, generators, retailers and an independent chairperson.¹¹

One of the goals the MCE had for its energy market reforms was to enhance active energy user participation. One method of increasing this participation was by making the opportunity available to anyone to initiate a Rule change, which has been done. Another method was by looking to improve the current advocacy arrangements in the NEM.¹²

The MCE is on a path to reforming consumer advocacy requirements. So far, forums and

interviews have been held and submissions were taken in late 2004. KPMG followed up with a report on consumer advocacy requirements. The Standing Committee of Officials (SCO) then issued a paper on Consumer Advocacy Options and called for interested parties to make their submissions by 29 April 2005. A detailed view of where we are regarding this issue can be found in Anna Stewart's and Kerry Connors' article below.

The Australian Energy Regulator

The AER comprises three statutorily appointed members. Steve Edwell is the full-time Chairperson, and two part time members, one of whom is also required to be a full time ACCC Commissioner is Ed Willett and the other is a State/Territory Member, Geoff Swier.¹³

The AER has been established as a separate legal entity and, as stated above, is the economic regulator for the wholesale electricity market. It also takes over the ACCC function of regulating the revenues and pricing of transmission networks in the NEM. The AER's other major responsibility is that of monitoring compliance with the new NEL, the Rules and regulations with the option of commencing proceedings in the State Supreme or Federal Courts for any breaches.¹⁴

The information gathering powers granted to the AER under the new NEL (including the right to apply for search warrants) are quite broad; however, they do not extend to legally privileged documents.¹⁵

The AER is required, when exercising its regulatory functions, to:

- (a) promote the NEM objective;
- (b) make known to an affected party the material issues the AER will base its decision upon and give a party an opportunity to make submissions;
- (c) allow a party to recover costs associated with efficient compliance of its regulatory obligations;

9 See s 89 and s 91 *National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005*.

10 See note 8 above.

11 See note 8 above and see also <http://www.advocacypanel.com.au>.

12 SCO, "Consumer Advocacy Consultation Paper", March 2005.

13 See <http://www.aer.gov.au/content/index.phtml/itemId/662493/fromItemId/659159>.

14 See note 13 above.

15 See s.21 *National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005*.



- (d) permit values of current assets and proposed assets to be based on past valuations; and
- (e) provide incentives to increase the efficiency of transmission services particularly by promoting efficient investment in those services.

These requirements are incorporated in the new NEL and can only be altered by legislative amendment.¹⁶

The National Electricity Market Management Company

Little change has occurred to NEMMCO's functions. The Rules contain NEMMCO's procedures and processes for fulfilling its functions. Its functions are stated in s49 of the new NEL as being to:

- (a) operate and administer the wholesale exchange;
- (b) promote the development and improve the effectiveness of the operation and administration of the wholesale exchange;
- (c) register persons as Registered Participants;
- (d) exempt certain persons from being registered as Registered participants;
- (e) maintain and improve power system security;
- (f) undertake the coordination of the planning of augmentations to the national electricity system; and
- (g) carry out any other functions conferred on it.¹⁷

NEMMCO must exercise the functions listed above in accordance with the new NEL and the Rules.

The Courts

The NET's function was to review 'reviewable decisions' of NEMMCO, NECA and any civil penalties imposed for a breach of the Code. Under the new regime, decisions of the AER will be reviewable under the Commonwealth *Administrative Decisions (Judicial Review) Act 1977*, while decisions of the AEMC, and NEMMCO decisions that were previously

made under the Code, can now be judicially reviewed under the new NEL under the relevant State and Territory judicial review regimes.

Reviews under the new NEL would be an examination of how the decision was made rather than the merits of the decision. The issue of merits reviews for certain decisions will be considered by the MCE. The SCO has established a working group to produce a discussion paper by October this year, on the scope of future appeals and review mechanisms, which will be the basis for its public consultations.¹⁸

Under section 59 of new NEL, only the AER is able to bring proceedings against 'relevant participants' for breaches of the new NEL, the regulations or the Rules. The term 'relevant participant' can be broadened via the regulations past those who were bound by the Code.¹⁹ Depending on the kind of breach that has been committed, proceedings can be brought in State or Territory Supreme Courts or the Federal Court.

The system of graduated civil penalties has been changed in an attempt to simplify the system. Although the maximum applies to all breaches, the Courts will determine the appropriate penalty based on the circumstances of the breach.²⁰ Under section 74 of the NEL, the AER is able to serve infringement notices to relevant participants for particular breaches of civil penalty provisions. The relevant participant can then choose to either pay the infringement penalty or defend in Court any proceedings related to the infringement.

Next steps

The path ahead is likely to see a number of changes in the following areas.

NEM transmission reforms

The ACCC has undertaken significant work in the development of a new Regulatory Test to deliver increased efficiency in transmission investment. The initial work will be used by the MCE to initiate a Rule change with the AEMC to develop guiding principles for the Regulatory Test to be applied by the AER.²¹

¹⁶ See s.16 *National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005*.

¹⁷ See s.49 *National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005*.

¹⁸ SCO, "Review of Decision-Making in the Gas and Electricity Regulatory Frameworks, Discussion Paper", October 2005.

¹⁹ See s.2 *National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005*.

²⁰ See Division 2 *National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005*.

²¹ Ministerial Council on Energy, "Statement on NEM Electricity Transmission", May 2005.



The Regulatory Test will also need a streamlined dispute resolution process with clearly defined timeframes. Under the revised process, all matters relevant to the NEM that are currently heard by a multi-staged dispute resolution process will be heard directly by the AER. Only Registered Participants and Interested Parties can raise a dispute. If a dispute does not concern network issues or the operation of the NEM and is based on personal losses or property rights, it may be heard through existing environmental and land planning appeal processes.²²

The MCE has already posited further transmission reforms. These include the granting of a “Last Resort Planning Power” to the AEMC to direct a party to have the Regulatory Test applied to a planned transmission investment. The MCE has stated that it would like to see a more stable regional structure promoted which would be assisted by reviews of regional boundaries occurring every five years or by application as opposed to the current annual reviews.²³

NEM distribution and retail reforms

One of the major tasks to be completed is the reform of the current jurisdictional based regulation of distribution networks and retail electricity businesses. In 2003, the MCE anticipated that reforms to the NEM would include making the AER responsible for the regulation of distribution and retailing (other than retail pricing) following development of an agreed national framework. Section 9 of the AEMA makes provision for the AER to assume this responsibility by 31 December 2006.

A jurisdiction can transfer responsibility for retail pricing to the AER once it has assumed regulation for distribution and retail of electricity.²⁴ It is expected that because the issue of retail price caps is so politically charged, jurisdictions will be reticent to forfeit their power over this.

The process of harmonising the different NEM jurisdictional regulations into a single national framework will not be an easy task. The SCO released an issues paper and approximately forty submissions were received in response, canvassing a range of views. On October 13, the SCO released its options paper. The paper

sets out a nationally legislated framework covering the regulation of retail and distribution of electricity and gas. It sees the regulations for the framework being drafted and administered by the AEMC and enforced by the AER. The signatories to the AEMA are now contemplating amending the AEMA to provide binding commitments to the new national framework. The MCE is currently seeking comment on the transfer of specific distribution and retail functions from the jurisdictions to the national framework.²⁵

The major building blocks for these reforms are only partially in place. In order to achieve the transfer of responsibility for the regulation of distribution and retailing of electricity to the AER from State and Territory Regulators, further amendment will be required to the new NEL, along with concomitant amendments to current State and Territory legislation in this area. However the details, which are vital for reform, are far from complete and are presenting numerous challenges. As well as Distribution and Retail, Transmission reforms are also required. Generation is also not a settled area. According to the ACCC, it is widely acknowledged that generators, at times, have the ability to cause high spot prices by withholding supply from the spot market. Generators can therefore exercise market power by ‘withholding’ generation capacity at peak periods and spiking prices. Even a few events of this type could have a large impact on the electricity industry. The ACCC is also expressing concern at the amount of merger and acquisition activity leading to vertically integrated market players.²⁶ Whilst these are issues that are being dealt with now, there are many more that will appear on the horizon. It is clear that while we have come a long way down the path of reform, we have still got a lot further to go.

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²² See note 21 previous page.

²³ See note 21 previous page.

²⁴ See Annexure 1, COAG Australian Energy Market Agreement.

²⁵ Ministerial Council on Energy, Energy Market Reform Bulletin no. 50.

²⁶ See speech by Ed Willett, “Mergers and Acquisitions in the Energy Sector”, 25th May 2005.



Queensland

Full Retail Contestability: The Good, The Bad, The Ugly

Einstein said that “we should make things as simple as possible, but no simpler.” All I wanted was a simple answer to a simple question: is Full Retail Contestability (FRC) a good thing? But hours of reading later and quite a few late nights, I remain confused. Ironically this is exactly the state many consumers find themselves in when faced with choice of electricity retailer.

A rhetorical question?

But first is the question worth asking? One of my colleagues does not think so. He argues that FRC is here to stay and there is little point in investing any time and effort into asking whether it works.

I disagree for a few reasons. First, many commentators argue “that a competitive market is a better safeguard against high prices than an independent regulator. A decision to weaken price controls for households will rely on claims about the strength of competition.¹”

Second, we should have the intellectual rigour to test whether policies have worked in practice. Good policy making demands it. There are also lessons about how to do things differently next time, or fine-tune the existing framework.

Third, and reflecting my own self-interest, my home state of Queensland has just bowed to the lure of obtaining \$50 million worth of withheld competition payments and has announced they will introduce FRC from July 2007. The consumer movement needs to be involved in implementing this decision.

FRC – The Empirical Evidence

The most obvious way to assess the impact of FRC is to look at the empirical evidence in the states where it is already in place. What has been the experience of consumers? Have the price savings and better product and service offerings eventuated? And if there are benefits, have they been shared across all consumer segments?

Whilst according to Madonna, we might live in a material world, household consumers most certainly do not live in a national electricity market. An assessment of FRC, still needs to be undertaken on a state-by-state base. This is because there are still strong state-based differences in market structure, in the prices paid by consumers and in consumer protection regimes.

Victoria is the only state that appears to have undertaken any serious post scrutiny of FRC. Their analysis, undertaken by the Essential Services Commission in 2004, is positive.² The report says that competition is increasingly effective, with high levels of consumer awareness of FRC, strong marketing activity, evidence of innovative offers, relatively few market conduct complaints and price discounts of up to 10% for the higher volume customers. On the downside, consumers continue to find it difficult to compare offers. Low volume users are missing out, as they are not profitable for the retailers.

If New South Wales publishes similar data, I could not find it (of interest in itself). We do know that customer switching rates are a relatively low 16%, presumably because there have not been price savings.

Some commentators however even challenge switching rates as being an effective indicator of competition. The argument is twofold. First, switching calculations are said to over-estimate the impact for domestic consumers, since the numbers include all customers up to 160MWh. Most households use about 9MWh of electricity per annum.³ The Public Interest Advocacy Centre estimate a more realistic switching rate for domestic consumers in NSW of around 12%.⁴

Second, “economic theory suggests competition is determined not by the level of customer switching or ‘churn’ but the number of firms in a market and the ease with which new players can enter. By either measure, however, it is clear that the retail market (in NSW) is a long way from being competitive.⁵”

To be fair however, consumers in New South Wales may still be benefiting from a competitive marketplace in other ways. They might be getting better service for example.

1 Public Interest Advocacy Centre, “Better Data Needed on Energy Competition” in *Well Connected*, the newsletter of the Utilities Consumers’ Advocacy Program, No 24 April, 2005.

2 Special Investigation: Review of Effectiveness of Retail Competition and Consumer Safety Net in Gas and Electricity, Essential Services Commission, 2004.

3 www.energynstitute.com.

4 op.cit. Public Interest Advocacy Centre.

5 op.cit. Public Interest Advocacy Centre.



Or prices may have been higher in the absence of FRC. Without any research to go on, it is hard to say.

It has been well documented that the introduction of FRC to South Australia was accompanied by increases in electricity prices of 25%. The increases were the result of South Australia embracing competition reforms allowing wholesale prices to be set by the market, higher regulated returns on network assets and the need for headroom if FRC was to work effectively. The latest monitoring report from ESCOSA shows a similar analysis however to that of Victoria – higher volume users can obtain price discounts by moving from the standard offer to the market.

For time reasons alone, I have not researched the experiences of consumers in the ACT – sorry folks.

So, what is the conclusion? We know that at least some people, mainly the high consumption customers in metropolitan areas, have enjoyed price savings (if they took them up) and better product/service offerings, particularly in relation to dual fuel offers.

The magnitude of the price savings and benefits however do not seem to have quite lived up to the rhetoric promised to us by the politicians. Queensland consumers for example are being promised potential savings of up to \$150 per annum by Premier Peter Beattie. For a number of reasons, beyond the scope of this particular article, such reductions are extremely unlikely.

There is also evidence that relatively unprofitable customers - those who use little electricity or who are on low incomes or live in rural areas - have not benefited from FRC. These customers are unlikely to have received offers to switch for example. In some states, such as New South Wales, there are an increasing number of disconnections and there are across the board pressures for increases in regulated tariffs in all jurisdictions.

From Practice to Theory

The problem with my analysis so far is that it tells only half the story. As that wonderful saying goes “economists look at something that works in practice, and wonder if it would work in theory”. If FRC has had mixed success, perhaps one of the reasons is that we

have not followed the theory correctly. This is the position of many of our regulators and industry players.

The main argument is that the benefits of FRC will only be fully realised once we move to cost reflective pricing. This is a nice way of saying that prices should increase. We all know that the prices paid by many household consumers, particularly those with air conditioners, are not cost-reflective. But the consumer movement has not really come to grips with the dilemma this poses. We will need to. Are we going to argue against say, increases in the standing offer if it means demand does not keep up with supply? Are we happy that some consumers are subsidizing others? And what is our position on interval metering, an issue that goes hand in glove with price?

Just as fundamental though is whether giving consumers choice is effective in the domestic electricity market. Professor Josh Gans from the University of Melbourne, says “no”. Based at least partly on research from behavioural economics, he argues that the “likelihood of consumer choice providing a locus for effective competition is bleak”.⁶

We are faced with a situation where there are inexorable pressures for both price increases and the abolishing of standing offers. But at the same time, there are question marks about the efficacy of FRC to adequately deliver benefits for all consumers. Both sides are going to use FRC to justify their positions.

Conclusions

The title for this article is FRC: the good, the bad, the ugly. I’ve looked at some of the “good” and “bad” aspects of FRC. There have been benefits for consumers, but there is considerable uncertainty about the impact of competition in the future, from both a social justice and economic perspective.

So what is “the ugly” in the title? It is the ugly reality that the consumer movement, and particularly those of us concerned about low income and vulnerable consumers, do not have the capacity to adequately respond to these issues. We all know that there is a glaring gap at a national level for adequately funded consumer-focused research into NEM issues, including FRC.

6 Gans, Joshua, “The Road to Confusopoly”, Presentation to the ACCC Regulation Conference 2005, 28/7/05



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These views are the authors own.

Ideally, I should have been able to access a well-argued paper that answered the question I set for myself at the beginning – is FRC a good thing? That I could not, is an indictment on ourselves, on our politicians and on the industry. Whether you think FRC is either good or bad, surely we all agree there is a compelling argument for a well informed debate. FRC: the good, the bad, the well-understood.

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Creative Sparks

New South Wales

Improving Electricity Transmission Revenue and Pricing

Network costs make up about 40% of the average electricity bill. The transmission networks are signalling billions of dollars in spending over the next few years and consumers will expect the most efficient result. Think again. Inefficient networks massively and unnecessarily expand their infrastructure to service a small amount of peak demand while ignoring cheaper non-network alternatives such as demand management and distributed generation. The result is wasteful consumption, higher electricity bills and more greenhouse gas emissions. Regulators are partly to blame. The Australian Competition and Consumer Commission (ACCC) and the state regulators have largely ignored calls for greater efficiency. However, with the establishment of the Australian Energy Market Commission (AEMC) and the Australian Energy Regulator (AER), there is an opportunity for improvement.

The new AEMC has now entered the scene. This has the potential to make the operation of the networks far more efficient. In July, the AEMC released its **Review of the Electricity Transmission Revenue and Pricing Rules Scoping Paper** (Scoping Paper). The rules that are under review are critical. They ultimately affect consumers and the environment by determining the type and price of electricity that is used.

Transmission networks are the 'poles and wires' that carry electricity from generators to smaller networks, which then carry electricity to households and businesses. As

the networks are natural monopolies, regulators are obliged to ensure that they do not profiteer in the absence of other competitors. Part of that obligation means ensuring that they are run efficiently, and the regulation of pricing and revenue are key tools to do this.

Perhaps the biggest complaints about current transmission regulation, pricing and revenue rules are that they have resulted in unnecessary costs, hidden subsidies for new remote generators, no accurate price signals, a less reliable electricity system, barriers to distributed generators (DG) and demand management (DM), higher electricity bills for consumers; and excessive greenhouse gas emissions which have contributed to dangerous climate change. The alternatives are much more beneficial: DM and DG create a more reliable energy system, reduced network costs, greater equity, fewer greenhouse gas emissions and costs resulting from those emissions.

The new National Electricity Law objective reflects the importance of efficiency in the use of electricity. This is an improvement from the previous National Electricity Code objectives that were focused on the supply side at the expense of demand management as a critical part of the market. Clearly, there is much room for improvement and the Scoping Paper has created the space for it.

What is Demand Management and Distributed Generation?

Demand Management includes a diverse array of customer site activities that meet customer energy needs more efficiently than is currently the case. These include the use of heat that would otherwise be wasted in generation, standby generation for times of peak demand, fuel switching from electricity to gas and solar, making buildings and appliances more energy efficient, interruptible customer contracts and other load shifting mechanisms.

Distributed Generation connects directly to the distribution network, by-passing transmission networks. Otherwise known as 'local' or 'embedded' generation, it reduces transmission losses due to its proximity to the point of demand, reduces the network constraints, improves local quality and availability of supply and allows for the incremental development of the electricity system, thereby reducing the risks of over-capacity investment.



With rising electricity prices and worsening dangerous climate change, there is increasing urgency to remove the barriers to DM and DG in the NEM.

Providing Incentives for Demand Management

Currently, there are disincentives for DM and DG despite the huge benefits that they deliver for consumers and the environment. This is largely because of the traditional ‘build and deliver’ culture of the networks which has been blindly accepted by the regulators. It is a culture, however, that is increasingly difficult to justify as the huge financial and environmental benefits of DM and DG become apparent. DM and DG can allow expensive network projects to be deferred or even permanently mothballed. This provides networks and consumers, with savings on the costs of capital, depreciation of assets and the costs of the project itself if it is permanently shelved. Every year a project is deferred, consumers save millions and electricity bills can stabilise or go down.

The Independent Pricing and Regulatory Tribunal (IPART) has recently recognised these savings by providing the ‘D-factor’ incentive mechanism for distribution networks. While the mechanism is partly to off-set the disincentive for efficiency created by the move to the ‘price cap’ form of regulation (explained below), it is also an example of what regulators can do to encourage network efficiency and lower electricity bills. The ‘D-factor’ allows networks to recover spending on DM and compensates them for lost revenue from reduced electricity sales. One of the flow-on effects is to encourage a stronger DM provider industry that is able to respond to network calls for DM.

IPART’s ‘D-factor’ incentive is a step in the right direction, placing it at the forefront of jurisdictional regulators. The AEMC should investigate such incentive mechanisms to encourage DM solutions to transmission network constraints.

Who Pays for the Network Costs of New Generation?

The Scoping Paper asks about the allocation of the costs of new generation. When a new, large generator is built instead of DM or DG, many parts of the networks need to be upgraded to allow them to carry the increased electricity load. However, currently it is not the new large generators that pay these ‘deep’ connection costs. Instead, the networks get

consumers to pay. In doing so, they are using consumers to subsidise the infrastructure of the new generators, helping to increase their profits. This is a perverse subsidy for inefficiency and creates a less reliable electricity system. The subsidy is an inappropriate advantage for large, remote generators that only pay ‘shallow’ connection costs at the expense of more efficient small, distributed generators and DM providers. As large remote generators burn greenhouse gas polluting fossil fuels, this is also a perverse subsidy for contributing to dangerous climate change.

To remedy the situation, the AEMC should review the allocation of network charges to consumers and seek to ensure that the majority of network augmentation costs caused by new generators are appropriately allocated to those generators.

Are the Rebates for Reducing Network Loads Fair?

When DM or DG are implemented instead of the building of more infrastructure, transmission networks benefit from the reduced load. The value of this benefit, however, is not properly reflected in the rebates paid. This value includes the ability of DM and DG to allow the deferral of expensive new transmission augmentation. There is also the value – completely ignored in the NEM – of reducing environmentally damaging greenhouse gas emissions. The Scoping Paper is assessing these rebates.

To reflect the true value of avoiding transmission network augmentation, the avoided ‘Transmission Use of System’ (‘TuoS’) rebates should include the value of deferring new network augmentations. This should include the value of both the annual operating cost of the deferred augmentation and the total annual net cost of servicing the capital expenditure of the deferred augmentation, including financing charges and capital depreciation.

Including the full value of network deferral in the calculation of avoided TUoS rebates would provide more accurate price signals for DG and DM. It would encourage a more reliable, efficient and more ‘climate friendly’ NEM. It would also help reduce electricity bills for consumers. To ensure that this occurs, the AEMC should review the valuation method for TUoS rebates to ensure that DG and DM providers obtain the full value of transmission infrastructure deferral.



Reducing Congestion

The City of London's new congestion tax for roads in the CBD makes it more expensive for private cars to clog the city's arteries. It is proving a huge success by making the city more liveable, efficient and equitable. The congestion of electricity networks should be approached in a similar way. There are currently few price signals that indicate network congestion in the NEM. Once again, this is resulting in inefficiency and inequity for the providers of DM and DG. Without accurate congestion prices, it is difficult to determine the appropriate price discounts for providers of non-network solutions. To remedy this situation, the AEMC should review the absence of price signals with a view to the inclusion of variable congestion costs.

Using Electricity at Better Times

At present, investment in transmission infrastructure is driven by peak-demand that usually only occurs for a few hours every year. This results in very inefficient transmission network augmentations that are built to service a small percentage of total annual demand. It is therefore inappropriate that the National Electricity Rules (Rules) offer networks discretion over the structure of usage prices. The failure of prices to reflect the relationship between time of use and peak-driven network augmentations ensures inefficiency and higher prices for consumers. It also creates an inappropriate subsidy of consumers with high peak electricity demand by those that consume less and at more appropriate times. By obscuring this important pricing information from consumers, excessive and inefficient consumption is encouraged, unnecessarily raising prices for consumers. The AEMC should therefore review the price structure for customers to ensure that appropriate time-of-use price signals are passed through to distribution networks and consumers.

How Regulators Assess Network Spending on DM and DG

There is currently no specific guidance for the assessment by regulators of expenditure by transmission networks on non-network solutions such as DM and DG. This issue has been identified repeatedly as one of the key barriers to transmission networks considering non-network solutions⁷. It is important because investment in DM and DG is different

to the traditional 'build and charge' type of investment by transmission networks. For example, to encourage demand reductions (and therefore avoid building a new multi-million dollar transmission line) a network may instead provide consumers with a subsidy for the adoption of more energy efficient technologies. Without guidance from the regulators, however, networks use the excuse of 'regulatory uncertainty' to avoid pursuing these options.

Distribution network regulators, such as IPART in NSW have more explicit guidance, and this has resulted in more investment in DM and DG by the networks.

The AEMC can now improve on this by following IPART's lead. The AEMC should set revenue and pricing rules that clearly set out the way in which DM and DG should be treated and the rate of return that those expenditures could be expected to deliver.

How Regulators Assess Inefficient Network Spending

While incentives should be encouraging networks to undertake DM and DG, sanctions should also be provided when networks fail to use DM and DG when they are cheaper. In other words, there needs to be both a 'carrot' and a 'stick'. But unfortunately regulators have a poor record when it comes to the retrospective assessment of inefficient network spending. A chronic failure has been the approval of spending that could have been avoided through more cost-effective implementation of DM and DG projects.

One exception was the assessment of TransGrid's infamous Sydney central business district expansion by the ACCC this year. Despite vastly cheaper, quicker and viable DM alternatives, TransGrid forged ahead with this expensive augmentation, massively underestimating the cost of the project at the expense of consumers. A sustained campaign by TEC and others for DM instead of the expansion was largely unsuccessful, but helped bring attention to the flawed decision making. The cost of the project eventually ballooned out of control by \$134 million. If the true cost of the expansion was revealed at the planning stage, the DM option would have looked even more cost-effective – and the decision to go ahead with the augmentation even more appalling. In response, the ACCC

⁷ For example, IPART, *Inquiry into the Role of Demand Management and Other Options in the Provision of Energy Services*, Oct 2002, Recommendation 7; and Australian Ecogeneration Association, *COAG Energy Market Review Issues Paper*, April 2002; National Economic Research Associates for TransGrid, *Augmentation of Supply to the Western Area: Preliminary Cost Effectiveness Analysis*, May 2003, p. 40.



finally disallowed TransGrid from charging \$31 million of the project's costs to consumers.

This is the kind of message that regulators need to be consistently sending to the networks, not just on rare occasions but as part of their core regulatory practice. TransGrid continues to launch unnecessarily expensive and inefficient projects to the detriment of consumers. In the central west of NSW, for example, the monopoly network is trying to build a line from Wollar to Wellington with a capacity far exceeding the requirements to service the projected minimal electricity demand growth. This is despite a range of viable and cost-effective DM and DG alternatives that have already been identified.

To ensure that DM and DG is properly considered by the networks, regulators need to undertake a meaningful and substantiated assessment of past network investment and disallow recovery of imprudent investment that should have been deferred. The AEMC should develop protocols to ensure that the AER can carry this out.

The Need for a Revenue Cap

Most transmission networks have a cap on the amount of revenue they can recover from consumers. Such a 'revenue cap' is set by the regulators before the networks go ahead with projects. This encourages networks to operate more efficiently: if they come in under budget, the networks get to keep the savings; if they go over budget, they may not be able to charge consumers for the overrun (the revenue is 'disallowed'). The alternative to a revenue cap is a price cap, in which a price is put on each unit of electricity sold, allowing the networks to make more revenue by selling more electricity. The price cap encourages networks to sell more electricity. This results in unnecessary consumption, higher electricity bills and more greenhouse gas emissions. Meanwhile, incentives for DM and DG solutions to transmission constraints are lost. As energy industry expert, Gavin McDonell, points out:

One of the most deficient aspects of price cap regulation is that it *provides the incentives to increase the transport of energy through the grid*, since the greater the quantity of energy moved, the greater the revenue and hence the opportunity for

profits. That is, *this system of regulation provides direct incentives both to increase industry's economic costs and to encourage greater household demand.*⁸

The Scoping Paper considers changing from the revenue cap form of regulation to a price cap as had been done with appalling results for some distribution networks. This option should not be pursued. The revenue cap should be retained so as not to increase the incentive for wasteful and expensive energy use.

Networks Should be Required to Test the Market for DM and DG Prior to Augmentation Decisions

An issue that was not considered in the Scoping Paper, but which is integral to network regulation, is the planning processes that networks are required to undertake. Currently, transmission networks are not required to solicit proposals for alternative DM or DG before deciding to augment their networks. This creates a natural barrier for cost-effective alternatives and forecloses on the potential for networks to operate more efficiently.

To rectify this situation, before networks undertake major augmentations, they should be required to solicit proposals for alternative non-network solutions. This would involve clear protocols for information disclosure, specification of constraints, requests for and evaluation of proposals. To facilitate this process, the AEMC and the AER should promote a comprehensive approach through mandatory DM Codes of Practice for networks. This would be a key step in facilitating a DM services market. Furthermore, recognising that transaction costs of participating in a request for proposal process would be very high for many small DM opportunities, the AEMC should also promote standing offers for small DM services.

NSW has begun adopting such an approach for Distribution Network Service Providers, which is detailed in a DM Code of Practice⁹. A central feature of the DM Code of Practice is that it requires networks to provide planning information and solicit Requests for Proposal from DM service providers and providers of other non-network options.

8 Gavin McDonell, *COAG's Quandary: What to do with the Energy Markets Reform Program?*, February 2005, p. 36 (italics in original).

9 Department of Energy, Utilities and Sustainability, *Demand Management for Electricity Distributors – NSW Code of Practice*, September 2004



Jane Castle is the Resource Conservation Campaigner at the Total Environment Centre. Her core campaigns are Extended Producer Responsibility for post-consumer product waste, Demand Management in the energy sector and National Electricity Market reform. As part of her work on energy she has been involved with the recent Independent Pricing and Regulatory Tribunal electricity distribution determination; the National Electricity Market reform process; emissions trading; Green Energy; and the Demand Management Code of Practice.

Prior to her work as an environmental campaigner, Jane was a documentary filmmaker. Her most recent film was, 60,000 Barrels, screened on SBS in 2003. 60,000 Barrels followed the struggle between chemical company, Orica, and a community to find a solution for the world's largest stockpile of Hexachlorobenzene, one of the most toxic wastes in existence

A DM Code of Practice requiring testing of the market prior to adopting network augmentation decisions would have two primary benefits. First, it would lay out in some detail key steps for transmission networks to take in investigating the opportunity to avoid or defer network augmentation. This goes well beyond the general guidance provided in the Rules, which require only that networks identify and examine DM and other non-network options.

Secondly, a DM Code of Practice increases the transparency of the network evaluation process by requiring networks to provide access to information. It also should increase proponents' confidence that their proposals will be appropriately evaluated. In contrast, while DM proponents are free to come forward in the current planning approach, their proposals need not be specifically sought and it is unclear how such proposals would be treated.

A Comprehensive Review of DM and DG is Needed

The 'bad old habits' of the networks need to be changed and the regulators need to make this happen. The AEMC should conduct a wide-ranging review of the potential of and barriers to demand management and distributed generation. As part of the review, the AEMC should investigate the benefits of planning, pricing and revenue rules and regulation that would ensure that transmission networks implement cost-effective DM and DG alternatives before undertaking major network augmentations. The review should be followed by a program which specifically addresses each barrier and seeks to rectify it. The failure of the regulatory bodies to undertake such a review will only prolong the losses to consumers as they pay for expensive and unnecessary investments by the monopoly networks. Until such a program is carried out, consumers will continue to bear the costs of grossly inefficient network operations that also contribute to dangerous environmental threats.

Jane Castle
Resource Conservation Campaigner
Total Environment Centre

ACT

One of the most difficult tasks the Ministerial Council on Energy faces in reforming the NEM is the harmonisation of the regulations governing distribution and retail of electricity. What will the harmonised national regulations look like? Will they be an amalgam of the best parts of all the jurisdictional schemes or is it likely to be similar to a present State-based scheme?

The regulatory frameworks used by the NEM jurisdictions covering this area consist of rules governing access and trade by the distribution and retail businesses. The consumer protections contained in each of these frameworks are very important. Considerable variation exists between the Acts and Codes that make up each framework. An understanding of the extent of this variation can be gleaned from looking at the "*Electricity Retail Consumer Protection Table for NEM Jurisdictions*" published by the CLCV in November 2004. Interestingly, all NEM jurisdictions except the A.C.T. employ Ombudsman schemes. In going it alone has the A.C.T. paved the way for the rest of the NEM or presented something that is best avoided?

What follows is the first of two articles from the A.C.T.'s jurisdictional regulator to shed some light on that last question.

An Introduction to the Essential Services Consumer Council of the ACT

This article is an outline of the Council's functions, membership and processes. To find out about the Council in more detail, please contact the Council Office; the contact details are included at the end of this article.

The Council was established under Part 11 of the *Utilities Act 2000* (the Act). The Council commenced operations on 1 July 2001, taking over and expanding upon the functions of the former Essential Services Review Committee (the ESRC).

Council Functions

Section 170 of the Act states that the Council's functions are:

- (a) to facilitate the resolution of complaints;
- (b) to determine unresolved complaints under Part 12 of the Act;



- (c) to ensure, so far as practicable, that utility services continue to be provided to persons suffering financial hardship;
- (d) to protect the rights of customers and consumers under the Act;
- (e) to advise the Minister and the Independent Competition and Regulatory Commission (ICRC) on any matter relating to the Council's functions; and
- (f) to do anything incidental to any of its other functions.

From this set of functions, Council has developed four broad activity streams:

- managing client hardship cases to ensure continuity of utility supply (function (c));
- assisting in the resolution of issues and complaints raised by customers and consumers (function (a));
- adjudicating complaints by customers and consumers against utilities under Part 12 of the Act (function (b)); and
- addressing systemic issues and problems in the relationship between utilities and their customers/consumers, and proposing remedial courses of action to Government, the ICRC or the utilities (functions (a), (d) and (e)).

These activities are undertaken by the Council collectively, or by a member or members of the Council nominated by the Chairperson. Council staff provide administrative support for these activities.

Council Membership

Section 174 of the Act provides that the Council consists of a Chairperson, a Deputy Chairperson and 1 or more other members appointed by the Minister in writing. The Minister must ensure that, collectively, the members have qualifications or experience in the following fields:

- (a) assisting or working with people suffering financial hardship;
- (b) law;
- (c) business; and
- (d) consumer affairs.

The Council is currently chaired by Peter Sutherland, Trish McDonald is the Deputy Chairperson and there are 9 other members of the Council.

Council Processes

The Council utilises a number of processes to undertake these functions/activity streams:

1. Council Members' Meetings
2. Hardship Assistance Hearings
3. Special Hardship Hearings
4. Complaint Hearings
5. Complainant Only Hearings
6. Special Complaint Hearings
7. Conciliation Conferences
8. Assisting Resolution Processes
9. Stakeholder Meetings

1. Council Members' Meetings: The Council, as a whole, meets in Council Members' Meetings at intervals of approximately 10 weeks. These meetings are a forum for policy development, discussion of individual complaints and trends in complaints, strategies for raising community awareness, administrative issues and member training.

2. Hardship Assistance Hearings: All members participate in initial and review hearings of Hardship Assistance Applications (protection from disconnection). These hearings are conducted once or twice each week with approximately 26 cases considered in 3.5 hours. Each application is heard by a panel of two to three members who consider each case taking in to account the circumstances of the applicant, the size of their debt, the average fortnightly consumption in the household and previous payment history. The outcome of these hearings is usually a direction to the utility that supply must be maintained on condition that specific payments are made. These hearings are usually chaired by the Deputy Chairperson and the other Council members participate in Hardship Assistance Hearings by rotation. The Council has established a number of strategies for case managing each client:

- Interim Direction: When an applicant is faced with disconnection but cannot be given a hearing until some date in the future certain Council staff are empowered to issue an Interim Direction to the utility involved instructing that the supply be maintained on the condition that the client attend a hearing at a future date.



- Review Hearings: Council staff monitor the payments and consumption of each client to see if Council's direction is being followed and to ensure that it is still relevant to the case. Should a client's circumstances change the client is asked to attend another Hearing so that Council can reassess the case.
 - Discharge of Debt: Under s 208 of the Act, the Council has power to discharge customer debt in relation to residential premises if it is satisfied that payment of the debt would cause substantial hardship for a customer. Where the Council discharges a debt under this section, the relevant utility is reimbursed by the A.C.T. for the amount of the discharged debt.
 - Incentive Discharge: This scheme was introduced to encourage long-term clients of the Council to free themselves from utility debt. Clients, who have an outstanding debt in excess of \$500, are invited to access the scheme once their utility payment record has been stable for at least 6 months. Participation in the scheme is entirely voluntary. The incentive works by the Council giving a matching dollar-for-dollar discharge (in arrears) for all amounts paid by the customer above their estimated utility consumption in a three month period. The Council sees two important benefits in the scheme: it gives a positive encouragement to clients to reduce their utility debt and a real hope of becoming debt-free within a foreseeable period; and it encourages reduction in utility consumption to maximise the amount of debt discharge offered by the Council.
 - Home visits: A home visit is offered to clients who have mobility issues – physical, psychological or age related. During 2004-05, 20 home visits were made. Typically, the Deputy Chairperson and a staff member undertake these visits. After the initial home visit, reviews are often conducted by telephone.
 - Payment Ceiling: The Council recognises that there should be a ceiling on the amount which a client is required to pay for their essential services of electricity, gas and water/sewerage.
- Council agreed that, in genuine cases, where excessive consumption may be linked to disability, family violence, etc (and not in cases where clients have no concern about, or acceptance of responsibility for, high consumption), a payment ceiling for utilities should be established. The Council will consider each case individually, however a general guide would be a ceiling of 15-20% of income. Where a ceiling payment is set, the Council will exercise the "Under Consumption" ground for discharge of the cost of consumption in excess of the ceiling.
3. Special Hardship Hearings: Special Hardship Hearings are held when a customer has been disconnected from supply and their poor payment history with the Council means that the Registrar is not authorised to make an Interim Direction for reconnection of supply without the consent of a Council member. Special Hardship Hearings are organised at short notice and are usually conducted by the Deputy Chairperson and the Registrar.
 4. Complaint Hearings: Council staff, under the direction of the Chairperson, investigate complaints by consumers/customers against utilities licensed under the Act. If a complaint cannot be resolved initially by preliminary discussions with the parties, or by elucidation of the facts of the case, and lastly by a Conciliation Conference, it is then listed for a Complaint Hearing. The Council may use its powers of compulsion under Part 12 of the Act in the course of the complaints process and a Complaints Hearing. The hearing is conducted by a panel of several members and usually chaired by the Chairperson. All Council members participate in Complaint Hearings by rotation and in most cases, written reasons for the decision are issued for the information of the parties and the general public.
 5. Complainant-Only Hearings: In some cases, the Chairperson of the Council is able to form a preliminary view from the papers that a particular complaint, not related to hardship, cannot be sustained. In such cases, the Council may hold a "Complainant-Only Hearing", attended by the complainant and one or several members of Council (but not by the utility party) to ensure that the complainant has had an opportunity to articulate their



Kerrie Brotherton worked for 18 years in various areas of the ACT utility industry, Kerrie took advantage of a corporate downsizing to retire early. During her time in the industry, she developed a great interest in how a utility company interacts with clients and the community. She was lured out of retirement by an interesting job offer from the Essential Services Consumer Council, the need to fund her renovation habit and a continuing interest in complaint resolution. She has been with the Council for three years now and is thoroughly enjoying her work as Case Manager.

complaint directly to the Council. If the oral presentation by the complainant raises doubts about the preliminary view, the Council will proceed with a Complaint Hearing.

6. **Special Hearings:** The Chairperson may convene a Special Hearing of Council to consider systemic issues or matters of the Council's jurisdiction and processes. A Special Hearing may also be used as a public consultation process on a systemic issue.
7. **Conciliation Conferences:** These are conducted by a single member of Council and are intended to facilitate early resolution of a complaint.
8. **Assisting Resolution Processes:** The large majority of all complaints and a small number of Hardship Assistance Applications brought to Council are resolved without the direct intervention of Council members or a hearing process. The Council Chairperson, or Deputy Chairperson, monitors all cases, however, in the course of listening to clients and researching the circumstances surrounding a complaint, the Registrar and/or the Case Manager are often able to facilitate an early resolution of the problem. This may be as fast as a single phone call, or may involve inquiries to third parties such as banks or A.C.T. Housing. Solutions often present themselves in the course of collating the facts through communication with both parties.
9. **Stakeholder Meetings:** Once a year the Council invites stakeholders to a meeting with a view to updating them on Council's business, receiving feedback and providing a forum for discussing any issues of interest.

In our next article Peter Sutherland, the Council Chairperson, will discuss the merits of this Council model and whether it would be an appropriate model for use throughout the NEM.

Further information may be obtained by contacting the Council office:

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New South Wales Update

The most significant news in recent times has been the establishment by the NSW Minister for Utilities of a multi-agency working group to review the effectiveness of the hardship programs provided by the State's electricity retailers. Both PIAC and NCOSS are represented on the working group.

PIAC had welcomed this decision since it implements one of the key demands we had developed following our *Cut Off* report into utilities disconnection in this State. However, despite our efforts and the support of key staff in the Department of Energy, Utilities and Sustainability (DEUS) it seems the key factor in the Minister's decision was media interest in recent large increases in electricity disconnections.

The working group is focusing on reducing disconnections. Significantly, it is considering whether to increase the regulatory obligation on retailers. The Victorian Hardship Inquiry will be used to inform some of the deliberations. However, it has been noted that NSW lags behind some of the current provisions in Victoria in protecting vulnerable households from disconnection. It is vital that as we move towards national regulation, that NEM states have in place strong consumer protection measures, to avoid a 'race to the bottom' in the development of a national energy retail code.

The working group will consider proposing to the Minister that any changes be extended to gas. This is logical given most energy retailers offer 'dual fuel' contracts.

Also of interest to household consumers and community advocates was the release by the NSW Government of the funding guidelines for the recently established Energy Savings Fund and the Water Savings Fund. These funds have been created by statute and aim to provide funding for projects which will create significant reductions in demand for water and energy. In the case of energy this can be focused on either aggregate load or peak demand.

While the funds each make available many millions of dollars these initiatives need to be seen in perspective. The total output of projects funded will still be very small by comparison with the size of the problems in the NSW electricity industry, particularly



Jim Wellsmore: After many years as an activist and policy worker in education issues in 1998 Jim found himself at the Public Interest Advocacy Centre and their Utility Consumers' Advocacy Program (UCAP). Jim had worked on electricity industry issues during a year long stint in the Philippines in 1993 – but this proved little help in dealing with the steep learning curve associated with joining UCAP. Jim's work with UCAP has also included issues with water supply. The project is also responsible for interventions in relation to gas.

around peak demand. The same most definitely can be said for water conservation.

At the same time the funds tend to preference energy and water savings projects aimed at larger users rather than households. PIAC also has written to the Department to express its concern over the relatively short timeframe permitted for the first round of applications.

A central element in the original concept of these funds was that they would facilitate the development of a thriving market for private providers of 'energy services' to develop and provide cost-effective demand management solutions to energy and water providers. However, whether this 'market-based' approach will be successful in the long-term remains to be seen. To date, the same approach has borne little fruit for the State's electricity distribution industry, which continues to favour its traditional engineering approach over concrete demand management.

The funds originally had been proposed by the then Premier in late 2003. They also were a key element of the NSW Government's *Energy Directions Green Paper* of December last year. The legislation creating the funds has been established notwithstanding that the Government still has not produced the energy white paper, which had been expected by last June.

The *Green Paper* had raised a series of options for the NSW electricity industry. While it was known that the NSW Government (and especially Treasury) favours private funding for future new generation there was some discomfort at the suggestion that the Government may be prepared to abolish price controls in the NSW retail market. Other proposals included new 'greenhouse performance' requirements for generators and formally 'stapling' publicly-owned retailers and generators.

The *Green Paper* had attracted a range of responses from community and industry groups. With the lengthening delay in the publication of the final white paper, however, PIAC and others have been left to speculate that the Government may be finding itself unable to arrive at an internal consensus on these major industry issues. The parallel delay in the release by the Ministerial Council on Energy (MCE) of its next consultation paper on distribution and retail might have been seen as providing a window of opportunity for the NSW Government. Perhaps the ongoing delays at the MCE mean this window remains open.

Environmental outcomes also came under consideration with the review of the Green Power scheme for electricity retailers designed to encourage the establishment of new renewable sources of energy. This review was undertaken nationally and a number of members of the NEM network (at least one of TEC, ATA and CANA) made submissions. PIAC supports the general aims of the Green Power scheme. Our submission pointed out that consumers now face a number of competing calls for them to take action on climate change. Moreover, the Green Power approach is likely being undermined by the incidence of significant increases in the cost of electricity in several jurisdictions.

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National consumer advocacy: state of play

The Ministerial Council on Energy (MCE), which is composed of energy ministers from each State and Territory, was appointed by the Council of Australian Governments to be the national policy and governance body for the Australian energy market. In its User Participation Policy Framework, the MCE stated that it:

... recognises the need for more effective consumer advocacy arrangements in the Australian energy market and supports the development of proposals to improve existing arrangements.

Background

Integral to securing the MCE's commitment to advocacy was a report commissioned by the Consumers Federation of Australia (CFA), which was supported by a range of consumer and community groups, and funded by a grant from the NECA Advocacy Panel. The report, prepared by Allens Consulting, recommended the establishment of an independent centre with specialist staff who could represent the interests of small end-users in the NEM, and retention of a grant-making facility to support consumer and community groups.



Kerry Connors is Executive Officer of the Consumer Utilities Advocacy Centre Ltd (CUAC), which represents the interests of Victorian electricity, gas and water consumers – particularly low-income, disadvantaged and rural consumers – in policy and regulatory decisions. For more information about CUAC and its activities, go to www.cuac.org.au.

Anna Stewart is the Deputy Director and Principal Solicitor at the Consumer Law Centre Victoria (CLCV). Anna manages the CLCV consumer law practice and undertakes a range of policy and advocacy work on a variety of issues including utilities, telecommunications, fair-trading and access to justice.

At the moment, support for consumer advocacy in the NEM is delivered through the Advocacy Panel, a grant-making body composed of supply and demand side representatives, with funds of approximately \$1million per annum to distribute. There is broad agreement in government and the community that the Advocacy Panel has not been able to effectively support the range of consumer interests – most likely because of its narrow funding criteria.

Following the circulation of the CFA report, the MCE then directed the officials developing detailed policies for MCE approval, the Standing Committee of Officials (SCO), to develop an effective model for consumer advocacy. A sub-committee of SCO, the User Participation Working Group (UPWG), commissioned KPMG to prepare a report on consumer advocacy structures, and released a paper for public consultation in March 2005.

That paper canvassed 4 possible models – two were re-vamped versions of the Advocacy Panel, limiting the mandate to grant-making for consumer advocacy projects, and two models looked at establishing a consumer advocacy organization that would undertake advocacy in its own right, as well as administer grants. Variations between those models is primarily centred on their mandate and methods of consultation with state-based consumer and community groups.

Current state of play

At the SCO meeting in July, questions were raised about why and what consumer advocacy is required. The SCO have apparently agreed that it would be timely to develop a set of principles on the structure of consumer advocacy in the NEM. There has been no public release of that document, or any indication of where this dialogue is developing.

There also appears to have been little or no consultation by SCO members with stakeholders on this new development – either with the community sector to assess need, or even with the national or state regulatory agencies to obtain their views on the value of well-informed consumer input to decision-making.

A number of consumer and community groups from across the NEM jurisdictions expressed their concern in writing to the Federal Minister of Energy, in his capacity as MCE Chair, with respect to the potential unravelling of the MCE commitment. That letter underlined the

continuing strong support for the establishment of a new national consumer advocacy mechanism to represent the interests of small consumers in a national energy market, and to support research on consumer and environmental issues relating to national energy policy and regulation. The mandate of that organisation should be to act in the public interest.

Concerned consumer representatives from Victoria and NSW also travelled to Canberra in September to discuss these issues directly with the Commonwealth SCO representatives, to ensure that the need for well-resourced consumer advocacy is understood.

Kerry Connors & Anna Stewart

Consumer advocacy needs in the national energy market

Consumers' need for involvement in the development of the national energy market is clear.

- Consumers will be affected greatly by the nature of the national energy market and therefore have the right to have their views heard as the arrangements evolve.
- Consumer involvement can improve the quality of decision-making and the operation of the market, resulting in public benefits, as well as benefits to consumers themselves.

The very substantial changes in the market and regulatory environment for energy in Australia mean that the task of consumer advocates will:

- be larger and broader in scope;
- be more complex, technical and involve debates over a long period;
- involve issues with perspectives that range from the truly national to those of the local community; and
- involve new institutions still finding their feet and whose responsibilities are changing.

Excerpt from *National Energy Market Consumer Advocacy*, The Allens Consulting Group, commissioned by the Consumers Federation of Australia, 2004, p vii



Member Focus

Each edition of On the Wire focuses on one of the NEM Network's members, looking at what they do, how they are funded and their recent engagement with energy issues. In this edition, the focus is on the **Utilities Consumers' Advocacy Program (UCAP)**.

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit law and policy centre. PIAC seeks to identify public interest issues and to work co-operatively with other organisations to advocate for individuals and affected groups.

UCAP is a Government funded project that was initiated by the PIAC. The overall aim of the program is to make utilities accessible, responsible and accountable to customer and community concerns.

UCAP believes that by building effective relationships with community organisations, industry, government and regulators it can fulfil the following aims:

- advocate for the interests of residential consumers of electricity, gas and water;
- focus on the needs of low-income and disadvantaged groups;
- identify systemic problems with the provision of electricity, gas and water services;
- promote effective consumer protection mechanisms in utility services; and
- facilitate co-operation between stakeholders in the electricity, gas and water industries.

UCAP advocates on behalf of its constituents at government, industry and regulator forums. UCAP also seeks to affect policy development through its publications, seminars and research activities.

The program's seminars and conferences are usually on small residential consumer concerns. UCAP conducts research on various areas that include demand management, the social implications of disconnection, pricing and affordability. UCAP has published occasional policy papers on such issues as utility pricing, enhancing social outcomes and consumer impacts of retail competition.

UCAP is located at Level 9, 299 Elizabeth Street, Sydney. For more information about UCAP call (02) 8898 6500 or contact Jim Wellsmore, Senior Policy Officer – jwellsmore@piac.asn.au or Elissa Freeman, Policy Officer, – efreeman@piac.asn.au.

Research Projects

Tasmania

Tasmanian Pre-payment Meter Update

The Tasmanian Energy Regulator has yet to formally report on his investigation into Aurora Pay As You Go (APAYG, the pre-payment meter system offered by Aurora Energy, the monopoly electricity retailer in Tasmania). However, he has foreshadowed his intention to offer APAYG customers equivalent consumer protection measures to those enjoyed by standard tariff customers. The Regulator intends to do this by adding a section to the Tasmanian Electricity Code that applies specifically to pre-payment meters.

Several recommendations from submissions to the investigation have already been implemented by Aurora, these include an increase in the level of emergency credit available from \$5 to \$10 and a change in the way debts are re-paid through 'APAYG Progress Rate'. Previously, Progress Rate repayments were made with an additional charge for each kWh of electricity used. Community sector groups argued that this resulted in higher repayments in periods of higher energy use (such as in winter) which placed extra strain on energy budgets at these critical times. Aurora has altered the system so that repayments are made at the rate of 50¢ per day and are unrelated to usage.

The Regulator intends to make the following changes through the Code:

- Change in the permitted disconnection times for new meters from 8am-8pm to 8am- 2pm (to bring them more into line with standard tariff conditions);
- Increase the initial trial period (when consumers can revert to the standard 'black meter' without penalty) from three months to six months;
- Require regular reporting of self-disconnections to the Regulator, plus other performance measures; and



Kath McLean currently works at TasCOSS as a Policy Officer with responsibility for consumer issues, including electricity. She represents TasCOSS on the ACCC's Consumer Consultative Committee. Kath is also responsible for policy in relation to Medicare and has an informal secretariat role in the Tasmanian Medicare Action Group.

Jane Bathgate is a Senior Research Assistant at the Centre for Credit and Consumer Law (CCCL), Griffith University. She has worked extensively in the socio-legal research field interstate and in Queensland. She holds a Doctor of Philosophy from Charles Darwin University.

- Require that new meters meet relevant Australian Standards for accuracy.

A major problem with PPM use in Tasmania is that the majority of meters currently in use are not capable of reporting self-disconnections. Different types of PPM do have this capability and it is likely that any PPM system introduced in mainland states will be required to have this feature.

Those involved in the PPM debate are hampered by a lack of information about PPM use in Australia. Much of the data cited is from overseas, and largely from Britain. Tasmania is the only Australian jurisdiction in which there is widespread use of PPMs – 35,000 households in the state now use the APAYG system. Although Aurora has carried out some research in the past, to our knowledge, no independent research on PPMs has been done in Tasmania.

The Tasmanian Council of Social Service is applying for funding to commission independent research into PPM use in Tasmania and will be seeking information on the demographic features of users, including income source, housing tenure and household types; self-disconnections - duration and frequency; perception of costs; smart card re-charging arrangements; and consumer perceptions of positive and negative aspects of the PPM system.

We welcome input to the research brief and encourage anyone interested in the proposed research to contact Kath McLean at TasCOSS (phone 03 6231 0755 or e-mail kath@tascoss.org.au).

Kath McLean
Consumer Policy Officer and Electricity Training Project Coordinator
Tasmanian Council of Social Service

Queensland

A new project – Implications for small end-users of Queensland's further integration into the National Electricity Market

A research and advocacy project on electricity issues has commenced at the Centre for Credit and Consumer Law, Griffith University (Centre). The Centre has appointed Dr Jane Bathgate to undertake the project. The

National Consumers Electricity Advocacy Panel has funded this project for 12 months. The project is particularly timely given the Queensland Government's recent 'go-ahead' for full retail competition in Queensland by July 1, 2007.

In summary, the project will involve:

1. Research and written submissions on issues relevant to the national electricity market as a whole and as these issues affect small end users in Queensland including:
 - full retail contestability
 - regulation of retail and distribution through codes, standards, contracts and/or other mechanisms
 - retail prices and pricing regulation
 - dispute resolution
 - barriers to participation in NEM developments
2. Written submissions to respond to relevant discussion papers and consultative documents issued by the Ministerial Council on Energy, the Australian Energy Market Commission, the Australian Energy Regulator, the Queensland Department of Energy, the Queensland Competition Authority, other relevant government agencies and/or industry bodies.
3. The establishment of a consumer committee to provide advice to the Director of the Centre on the work of the project and its outcomes.
4. The undertaking of appropriate qualitative research with low volume domestic electricity end users in Brisbane and rural/regional Queensland on the impact on those end users of issues and developments in the electricity market and, as far as is practicable, on the measures being advocated by the project.

We would also welcome any feedback into the project. For more information contact Jane Bathgate on (07) 3735 3244 or j.bathgate@griffith.edu.au

Dr. Jane Bathgate
Senior Research Assistant
Centre for Credit and Consumer Law



THE NEM NETWORK

This page lists the community agencies that are members of the NEM Network and the regulators, government agencies, consultants and educational institutions that are interested in the NEM Network.

Community Agencies

Tasmania

Anglicare Tasmania Inc
Phillip Powell, Financial Counsellor, Financial Counselling Service Devonport

Consumers' Federation of Australia
Jane Hutchison, Representative

Tasmanian Environment Centre
Margaret Steadman, Coordinator

Hobart Community Legal Service
Jane Hutchison, Manger

National Council of Women Tasmania
Catherine Catt, Consumer Affairs Advisor

Tasmanian Council of Social Service
Kath McLean, Policy Officer

Australian Capital Territory

ACT Council of Social Service
Karen Nicholson, Senior Policy Officer

Care Inc Financial Counselling and Consumer Law Centre of the ACT
David Tennant, Director

South Australia

Aboriginal Legal Rights Movement Inc
Margaret Gipson, Low Income Support Program Co-ordinator

Anglicare SA
Rosalie Fahlbusch, Coordinator Energy Empowerment Program

Conservation Council SA
Andrew Nance, Community Energy Coordinator
Jess Gilding, Cool Communities Facilitator

Henley & Grange Residents Association
Jim Fitzpatrick, Representative

Lutheran Community Care
Anne Halman, Project Officer, Low Income Support Program
Greg Were, Low Income Services Manager
Jan Bean, Financial Counsellor

South Australian Council of Social Service
Rhonda Turley, Project Officer
Andrew Nance, Coordinator Electricity Consumer Advocates Training Project
Roselyn Williams, Project Officer

St Vincent de Paul Society (SA) Inc
Tania Elliot, Training and Development Officer

The Salvation Army
Julie Parr, Manager Arndale Family Support Services

Uniting Care Wesley (Adelaide)
Julie McMahon, Community Development Worker
Sue Heathcote, Community Development Worker

Uniting Care Wesley (Port Adelaide)
John Morris, Budget Counsellor, NILS Coordinator

Queensland

Alternative Technology Association
Wendy Miller, Convenor Brisbane

Brisbane Consumers' Association
Ian Jarratt, Member

Centre for Credit and Consumer Law (Griffith University)
Fiona Guthrie, Chair
Nicola Howell, Director
Jane Bathgate, Senior Research Assistant

Energy Users' Association of Australia
Josh Hankey, Queensland Development Manager

Homeless Persons' Legal Centre
Michelle Bradfield, Coordinator

Lifeline Brisbane Financial Counselling
Gregory Mowle, Coordinator

Queensland Council of Social Service
John Rochester, Communications and Marketing Manager
Ana Maria Allimont Holas, Multicultural Project Officer

Queensland Conservation Council
Kirsten Macey, Cool Communities Facilitator

Queensland Consumers' Association
Cherie Dalley, President

Queensland Public Interest Law Clearing House
Tony Woodyatt, Coordinator

Tenants Union
Penny Carr, Coordinator

Victoria

Alternative Technology Association
Kane Thornton, Energy Policy Manager

Australian Conservation Foundation
Julie Taylor Mills, Co-ordinator Climate Change Business Leaders Roundtable

Brotherhood of St Laurence
Professor Paul Smyth, General Manager, Social Action and Research (also University of Melbourne Centre for Public Policy)

Consumer Utilities Advocacy Centre
Kerry Connors, Executive Officer
May Mauseth Johnson, Senior Policy Officer

Environmental Defenders Office (Vic)
Brendan Sydes, Principal Solicitor

Environment Victoria
Darren Gladman, Director Global Warming Campaign

Financial and Consumer Rights Council
Sue Fraser, Utilities Working Group Convenor
Marie Stivala-Andrews, Utilities Working Group Convenor

Moreland Energy Foundation Ltd
Esther Abram, CEO

St Vincent de Paul Society Victoria
Gavin Dufty, Policy and Research

Victorian Aboriginal Legal Service
Frank Guivarra, Director
Robin Inglis, Policy Officer

Victorian Council of Social Service
Dean Lombard, Utilities Policy Officer



New South Wales

Australian Consumers' Association
Alison So, Policy Officer – Energy and Advocacy

Australian Conservation Foundation
Monica Ricta, Coordinator Sustainability Program

Baptist Community Services
Pam Batkin, General Manager Family and Community Services

Climate Action Network Australia
Julie-Anne Richards, General Co-ordinator

Combined Pensioners and Superannuants Association of NSW Inc
David Skidmore, Policy and Information Officer

Financial Counsellor's Association of NSW Inc
Elizabeth Terry, President

Friends of the Earth, Eco-Sydney Campaign
Ted Floyd, Campaigner

New South Wales Council of Social Service
Dev Mukherjee, Senior Policy Officer

Public Interest Advocacy Centre, Utility Consumers' Advocacy Program
Jim Wellsmore, Senior Policy Officer
Elissa Freeman, Policy Officer

St Vincent de Paul Society National Council
John Falzon, National Researcher

Tenants Union
Michelle Jones, Executive Officer

The Smith Family
Christina Fica, Project Manager

Total Environment Centre
Jane Castle, Resource Conservation Campaigner

Western Sydney Community Forum
Joan Gennery, Transport Development Worker

WWF Australia
Anna Reynolds, Climate Change Manager

Western Australia

Conservation Council of Western Australia
Tristy Fairfield, Greenhouse and Energy Campaigner

Sussex Street Community Law Service
Andrea Highman, Coordinator Consumer Credit & Financial Counselling Access Project
Iris Watt, Financial Counsellor

Western Australia Council of Social Service
Irina Cattalini, Senior Policy Officer – Utilities

Northern Territory

Northern Territory Council of Social Service
Jane Alley, Executive Director

Regulators, Government Agencies, Consultants, Educational Institutions

Tasmania

Office of the Tasmanian Energy Regulator
Andrew Reeves, Regulator
Carolyn Flint, Research officer

Australian Capital Territory

Essential Services Consumer Council
Peter Sutherland, Chairperson

Fair Trading Advisory Committee
Peta Spender, Chair

Independent Competition and Regulatory Commission

Ian Primrose, Chief Executive Officer

Legal Aid ACT

Linda Crebbin, Deputy Director

South Australia

Energy Industry Ombudsman
Nick Hakof, Ombudsman

Essential Services Commission of South Australia
Lew Owens, Chairperson

Centre for Labour Research, University of Adelaide

John Spoehr, Executive Director
Kathryn Davidson, Researcher

City of Charles Sturt

Jeff Thomas, Community Development Officer

Northern Adelaide Region Councils

Ann Gibbons, CCP Project Officer

SA State Office, Australian Government Department of Family and Community Services
Keith Crammond, Senior Policy Officer

South Australian Housing Trust

Theresa Walker, Housing Support Co-ordinator,
Parks Regional Office

Queensland

Bardak Group
Dr Robert Booth, Managing Director

Queensland Competition Authority
Gary Henry, Director

Office of Energy
Sandra Hosking, Principal Policy Analyst

Victoria

Department of Human Services, Concession Unit
Karen Piper, Manager

D Nelthorpe Consulting Pty Ltd
Denis Nelthorpe, Director

Energy and Water Ombudsman (Victoria) Ltd
Fiona McLeod, Energy and Water Ombudsman (Victoria)

Essential Services Commission
Wendy Heath, Regulatory Program Manager

Headberry Partners P/L
David Headberry, Principle

Sustainable Energy Authority Victoria
Katrina Woolfe, Functional Leader, Capacity Building

New South Wales

Department of Energy, Utilities and Sustainability
Chris Dunstan, Associate Director Market Development; Joyce Fu, Market Development Analyst, Sustainable Energy Team, Energy Systems Branch

Independent Pricing and Regulatory Tribunal
Fiona Towers, Director Energy

Institute for Sustainable Futures, University of Technology Sydney
Chris Ready, Research Principal



National

Australian Competition and Consumer Commission

Catriona Lowe, Director Consumer Liaison
Sebastian Roberts, General Manager Electricity Branch

National Electricity Consumers Advocacy Panel

David Bremner, Executive Officer

Permission to publish names has been provided by all those listed above.

Please provide any additional names to the NEM Project Coordinator to be included in network.

