

Australian Council of Social Service and
Consumer Advocacy Panel

NEM Advocacy – Low income and disadvantaged consumers

NCEAP project reference: Application 352 (an extension of Application #s 133, 254, 300)

Progress Report #2:

Period 01 November 2009 through 28 February 2010

Provided under the terms of the Agreement

Tony Westmore, Senior Policy Officer (Electricity)

Introduction:

ACOSS made application to the Panel for financial support of work to facilitate advocacy of consumer interests in the National Electricity Market. ACOSS and the project it proposed have a particular focus on consumers with low and fixed incomes and who are otherwise disadvantaged. ACOSS proposed a project with a focus on issues of regulation, retail codes and pricing. ACOSS proposed a project that involved the employment of a policy officer, work directed to consultation, information dissemination and advocacy.

The policy officer employed by ACOSS, Tony Westmore, commenced work on the project in February of 2006, initially on a part-time basis but full-time since July 2007. The national energy market reform program has been characterised over the duration of the project by changing agendas, shifting schedules, proposals of significance and substantial detail, short time frames for consideration and response. ACOSS has endeavoured to keep abreast of developments and to respond as appropriate.

Summary of progress: highlights

ACOSS was successful in gaining a seat on the Customer Consultative Group of the Australian Energy Regulator. The first meeting of this new Group was held in February 2010.

Retail policy – the new national regulatory framework: The policy officer made application to the Panel for funding in support of consumer advocate participation in a stakeholder forum convened by DRET regarding the bill benchmarking project, a belated component of the NECF. The policy officer participated with other consumer advocates in a meeting to plan responses to the second exposure draft of the NECF. This meeting and a subsequent stakeholder forum convened by RPWG in February went to inform joint and individual responses lodged in February.

Smart meters: The policy officer continued to represent the National Consumer Roundtable on Energy at the National Smart Metering Program (NSMP) National Stakeholder Steering Committee (NSSC) and to participate in two of the program working groups: business requirements (technology) and regulation. The work of the NSMP and its working groups is detailed at the program website hosted by AEMO: <http://share.aemo.com.au/smartmetering/default.aspx>. The website holds background and meeting papers, meeting summaries and stakeholder contributions to processes. The website should offer some sense of the scope of work involved in participation. The policy officer facilitated a presentation by the leader of the NSMP business requirements working group for the November meeting of the National Consumer Roundtable on Energy. The policy officer ensured a consumer perspective informed NSSC contributions to the NECF process and to the AEMC process to provide advice to MCE on cost recovery for smart meters.

Information and coordination for COSS policy staff and others: Over the course of the four month reporting period the policy officer facilitated communication between COSS staff and associates particularly with regard to developments in the smart meter project, the DEWHA

energy efficiency project and climate change and responses. The policy officer successfully sought Panel funding for a two day meeting of COSS staff working on energy-related issues. The policy officer coordinated this meeting held in Melbourne in December.

Climate change, emissions trading, the national electricity market, energy efficiency, equity and related issues: The policy officer was invited to join the ministerial advisory council for the Climate Change Action Fund. The policy office coordinated ACOSS involvement in the launch of Green Start, a new \$130 million, two year program targeted to improve energy efficiency in low income households. Green Start was launched by Environment Minister Peter Garrett and ACOSS CEO Clare Martin in Canberra in November. Program development was informed through consultation with consumer advocates over the preceding 14 months. ACOSS and ACF co-authored a submission to a Senate inquiry into ceiling insulation for households and subsequently gave oral evidence at a hearing of the inquiry. ACOSS continued its partnership with the ACTU, ACF and The Climate Institute in the Southern Cross Climate Coalition towards fair climate change policy including an emissions trading scheme. ACOSS continued its work with other energy consumer and climate advocates in coalitions to promote energy efficiency. ACOSS was invited to join the advisory group to the Prime Minister's Task Group on Energy Efficiency, charged with the task of establishing a step change in energy efficiency improvement by 2020. The policy officer took on this role.

National energy policy: over the course of the reporting period the Commonwealth Government Energy White Paper project was, publicly, in abeyance.

Meetings and consultations:

* 'Roundtable' below is National Consumers Roundtable on Energy
'NSMP' is National Smart Metering Program

NSMP Regulation working group workshop 09-10/11, Melbourne
Roundtable: meeting 12-13/11, Brisbane
NSMP Business requirements working group workshop, 18-19/11, Melbourne
Green Start energy efficiency for low income households program, launch 25/11, Canberra
NSMP NSSC: meeting 27/11, Melbourne
Origin Energy National Customer Consultative Council: meeting 03/12, Melbourne
NSMP meet w/ program director and AGL representative 04/12, teleconf
NSMP NSSC: meet w/ secretariat re communications strategy 07/12, teleconf
NSMP Regulation working group workshop 08/12, Sydney
Roundtable: meeting re NECF 09/12, Melbourne
Macquarie Generation: briefing on CPRS impacts 11/12, Sydney
NSMP Business requirements working group workshop, 15/12, Sydney
NSMP NSSC: meeting 16/12, Sydney
COSS workers, meeting 21-21/12, Melbourne
NSMP Regulation working group workshop 19/01, Melbourne
NSMP NSSC: meeting 29/01, Sydney
RPWG & Dept of Resources, Energy & Tourism: NECF forum 03-04/02, Melbourne
NSMP NSSC: meeting 03/02 re AEMC review statement of approach, teleconf
Roundtable: meeting re NECF 05/02, Melbourne
NSMP Regulation working group workshop 09/02, Melbourne
NSMP Business requirements working group workshop, 10-11/02, Melbourne
DEWHA Consultation re MEPS, 12/02, Melbourne
DEWHA Consultation re greenhouse intensive hot water phase-out 12/02, Melbourne
Alliance to Save Energy meeting of energy efficiency advocates 16/02, Sydney
Senate Environment References Committee: oral evidence re ceiling insulation 17/02, teleconf
Australian Energy Regulator Customer Consultative Group meeting 12/02, Melbourne
NSMP NSSC: meeting 23/02, Melbourne
Climate Action Network Australia (CANA) conference 24/02, Sydney

Climate Change Action Fund meeting w/ director 25/02, Canberra
 Prime Minister's Task Group on Energy Efficiency advisory group meeting 25/02, Canberra

ACOSS submissions and etc:

NSMP NSSC submission to AEMC re smart meter cost recovery
 ACOSS submission to MCE re NECF ii
 NSMP NSSC submission to MCE re NECF ii
 Southern Cross Climate Coalition correspondence with Prime Minister

Research and development:

Emissions trading
 Energy efficiency, households, relative costs and benefits
 Smart meters, advanced metering infrastructure and related matters
 Price regulation, competition and regulation

Summary of progress towards outcomes

4.1A Retail policy and the national regulatory framework	Law establishing the national framework likely to go to parliament of South Australia spring 2010 for implementation and/or transition from July the following year. Unlikely to be implemented simultaneously by all NEM jurisdictions. Second exposure draft of instruments revealed some success from previous efforts to improve framing for consumers, especially vulnerable consumers. Some flaws perpetuated. Some issues unresolved eg retailer of last resort. Outcome uncertain.
4.1B Smart meters and the national smart metering program	Progress made through NSMP towards a functional (technical) specification and blueprint for regulatory architecture. No progress towards consideration or resolution of consumer protection issues. Release of NECF ii reveals no smart-meter related material. Explanatory memorandum indicates RPWG and SMWG decision to exclude smart meter specific provisions pending further work.
4.1C Climate change, carbon price, energy efficiency and equity	Negotiation towards Carbon Pollution Reduction Scheme suspended. International developments disheartening. Work towards Climate Change Action Fund (and support for community welfare sector organisations) in train but slow. Work towards energy efficiency program for low income households in train pending resolution of tender process. Work to extend Utilities Allowance unpromising.
4.1D Energy white paper and national energy policy	On hold pending further public engagement by Government. Desk research in train.