

25th October 2016

The Hon Josh Frydenberg MP
Federal Minister for the Environment and Energy, Chair of the COAG Energy Council
Via emails: Josh.Frydenberg.MP@aph.gov.au, josh.frydenberg@environment.gov.au

Dear Minister

Re: Addition of a consumer member to the Expert Panel to Review the Security of the National Electricity Market

The Expert Panel announced yesterday by the COAG Energy Council to Review the Security of the National Electricity Market does not include a representative from energy consumers. We urgently request that the COAG Energy Council appoint a member to represent consumer interests as ultimately the cost of any solution to the National Electricity Market's security issues will be borne by the consumer in their power bills. Without consumer representation the Expert Panel's recommendations may solve the security issues but exacerbate the already unaffordable retail electricity prices being experienced throughout the National Electricity Market (NEM).

On 14th October, the Australian Energy Market Commission sought feedback from consumer organisations on the end-use representative to the AEMC's Reliability Panel. The core functions of the AEMC's Reliability Panel relate to the safety, security and reliability of the national electricity system; similar functions to those we envisage will be the Terms of Reference for the COAG Energy Council's Expert Panel to review the security of the NEM.

Under clause 8.8.2(a) of the National Electricity Rules, the members of the AEMC's Reliability Panel must include:

- A person representing generators
- A person representing market customers
- A person representing transmission network service providers
- A person representing distribution network service providers and
- A person representing the interests of end-use customers of electricity

Clearly the National Electricity Rules recognise the need to include consumer representation when managing the safety, security and reliability of the national electricity market.

The consumer member of the Expert Panel would need to meet the following criteria:

- Possess technical knowledge regarding the operation of the national electricity system
- Broadly represent a range of business and residential consumers with a particular emphasis on small business, agriculture and regional consumers

We would like to strongly recommend that the consumer member be appointed in consultation with consumer organisations.

We ask that our request be urgently considered as the Expert Panel is due to deliver a preliminary report to the COAG Energy Council on 9th December 2016.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'J Brownie', is written over a light blue horizontal line.

Jennifer Brownie
Coordinator

CC to members of the COAG Energy Council via email: Senator Matthew Canavan, Anthony Roberts MP, Lily 'Ambrosio MP, Wade Noonan MP, Anthony Lynham MP, Mark Bailey MP, Sean L'Estrange MLA, Mike Nahan MLA, Tom Koutsantonis MP, Matthew Groom MP, Guy Barnett MP, Simon Corbell MLA, Ken Vowles MLA

CC to North Queensland Members of Parliament via email: Curtis Pitt MP, Rob Pyne MP, Craig Crawford MP, Billy Gordon MP, Shane Knuth MP, Andrew Cripps MP, Warren Entsch MP

CC to Queensland Senators via email: George Brandis, Anthony Chisholm, Pauline Hanson, Chris Ketter, Ian Macdonald, James McGrath, Claire Moore, Barry O'Sullivan, Malcolm Roberts, Larissa Waters, Murray Watt