

National Consumer Roundtable on Energy Communique

Adelaide January 2020

The National Consumer Roundtable on Energy (Roundtable) is an informal coalition of national and jurisdictional energy consumer advocates primarily focussed on policy dialogue and strategic collaboration. The Roundtable meets twice a year to consider priority consumer issues across the National Electricity Market (NEM). Over two days in Adelaide (30 - 31 January), the Roundtable meeting welcomed representatives from the Australian Energy Market Operator (AEMO), the Australian Energy Regulator (AER), the Australian Energy Market Commission (AEMC), the Energy Security Board (ESB), the Energy Charter and Charter Signatories.

Key issues that were considered included:

Future Market Design

- A 'Wholesale Market Fundamentals' Masterclass of Roundtable participants was held on 29 January 2020 to develop a shared understanding of wholesale market components of the National Electricity Market (NEM). There was commitment to progress a 'Future Market Design' enabling group to build the capacity of members to engage in wholesale market and related reforms.
- The Roundtable also welcomed a presentation from AEMO and the ESB, including an update on the ESB Post 2025 Market Design process and the Integrated System Plan (ISP).

Members of the Roundtable expressed their desire to engage meaningfully in these processes and committed to compiling a guide for market bodies and institutions for optimising consumer engagement.

Climate and energy policy

- The Roundtable heard from the AEMC about responding to climate risks and challenges in the energy system.
- Members acknowledged the need to get the right investment signals in place to ensure the challenge of emissions reductions is addressed.

Roundtable members welcomed initial thinking by Market Institutions to consider climate risks and collectively encouraged all States and Federal Governments to act in a coordinated way to resolve the significant consumer priority of a future energy system that is both affordable and sustainable.

Bushfires

- Members reflected on the substantial impact of recent bushfires and appreciated the prompt response by networks, retailers and governments to both the needs of people impacted and to restoration of electricity supply.
- Members reinforced the need for government, regulators and businesses to support the building and rebuilding of resilient communities.

- Consideration was given to the implications for consumers (both household and business), in terms of rebuilding and the costs and risk allocation of future policies related to bushfire risk and energy supply.

The Energy Charter

- The Director of the Energy Charter and representatives from Charter Signatories reflected on learnings from the first year of the Energy Charter and the Disclosure process. Roundtable members welcomed the opportunity to provide feedback on the collective experiences and expectations of the Energy Charter.

Roundtable members encouraged the Energy Charter and Charter Signatories to work closely with consumers and consumer advocates to build on the foundation created in year one and to activate the ambition of the Charter.

The Roundtable has established a number of “Enabling Groups” which operate to progress collective action on agreed issues. The following updates were given by the respective Enabling Group Leads.

Opportunities and Challenges of Distributed Energy Resources (DER)

- The DER Enabling Group Leads (from the Australian Council of Social Services; ACOSS and the Total Environment Centre; TEC) gave an update on key work areas including the development of a ‘New Energy Compact’ around setting a user centred vision and principles to guide energy reform processes needed to deal with a rapidly changing energy system.

The DER Enabling Group welcomed further consultation and collaboration in their various work streams.

Payment Difficulties

- The Payment Difficulties / Hardship Enabling Group Lead (from the Public Interest Advocacy Centre; PIAC) gave an update on the development of a ‘Best Practice Framework for Payment Support’.
- There is also work on drafting an Advocacy Guide as an explainer for community organisations to assist people experiencing energy debt issues, and collection of longitudinal data and case studies to monitor the performance of both the Victorian and national payment support frameworks.

The Payment Difficulties Enabling Group will be continuing collective action in this space to ensure that all residential consumers are entitled to, and can readily access, the forms of assistance they need to avoid arrears, address debt, and enable them to afford the ongoing energy use they need to sustain household health and wellbeing.

Energy Concessions Reform

- An Energy Concessions Workshop was held on the morning of the 29 January 2020 prior to the Roundtable to explore how members of the Roundtable can jointly improve the effectiveness of energy concessions across all jurisdictions.

Participants at the Workshop noted that the Finkel Review recommendation on reform of concessions had not progressed and committed to advancing this work via the creation of a Concessions Enabling Group.

Australian Energy Regulator

- Members of the Roundtable welcomed the Chair of the AER to provide an update on the reliability standard review, the Value of Consumer Reliability and the impact for consumers. There was also discussion relating to transmission investments relating to ISP implementation

Jurisdictional Mapping:

- A separate document was prepared, discussed and circulated by Roundtable Members and accompanies this communique.

The next Roundtable will be held in June 2020.

NATIONAL CONSUMER ROUNDTABLE ON ENERGY
30 JANUARY 2020

Jurisdictional Mapping

National

COAG Energy Council

COAG Energy Council

- Met in Perth in November - only 2019 meeting.
- Main themes: Reliability and security, transmission and ISP, and hydrogen.
- SCO has broader work program 40+ items on agenda.
- Approved energy efficiency for existing homes work program

Department of Environment and Energy

- Energy efficiency for existing homes – finance mechanisms, rating tool
- Finkel 6.6 – distributed energy for low-income households

Energy Security Board

- New Deputy Chair David Swift
- Post 25 market design, and some pre 25 advice in the meantime.
- Review of reliability standard, with 2-sided market design advice.
- Advice to COAGEC on sharing of transmission costs
- Rules changes, guidelines, etc to action the ISP

AEMC

- CEO Anne Pearson moved on
- AEMC is prioritising 5 areas of reform. Rule change proposals or reviews that don't come under these groups will not be prioritised.
 - Generator access and transmission pricing
 - Power system security
 - Integrating distributed energy resources
 - Digitalisation of energy supply
 - Aligning financial incentives with physical needs to deliver reliable supply

Reviews in Train

- NECF review – focus on consumer protections in an evolving market
- Consulting on Package of rules to support network businesses deploying Stand-alone Power Systems
- 2020 Retail Competition Review
- Regulatory sandboxes
- Investigation into System Strength
- Coordination of Generation and Transmission Infrastructure
- Reliability Panel's Annual Market Performance Review 2019

AEMC

Rule Changes in Train

- Wholesale and ancillary service electricity market:
 - Short term forward market
 - Wholesale Demand Response Mechanism (x3) decision deferred to June 2020 (Small customers – including households – shunted to ESB 2-sided market design)
 - Planning and forecasting arrangements x2
 - Loss factors x2
- Reliability and security changes
 - Vic derogation from RERT
 - Primary frequency response requirements x3
 - System restart arrangements x2
- Others
 - Transmission System operation x
 - Wholesale gas market changes x4
 - Electricity metering x2
 - Regulating conditional discounting

AER

- New chair - Clare Savage - and board
- Determined new Values of Customer Reliability: Compared to the 2014 AEMO values (that they cant be compared for) new VCRS are Lower for households, higher for C and I customers, about the same on average. Wide
- Assessing DER integration expenditure – guideline for how AER will assess DER integration project proposals in DNSP revenue determinations
- Hardship guidelines
- Pathway to 2022 Rate of Return review – framework to follow in developing the binding 2022 RoR instrument
- Transmission ring-fencing guideline

AEMO

- Gas Market Development - Various
- Developing 2020 Integrated System Plan – consultations in Feb
- Open Networks
- NEM customer switching consultation - 29/01/2020

Other

Department of Environment and Energy

- Consultation of proposed default values for the safeguards mechanism.
- Was a selective consultation headed by Grant King on emissions reduction measures.

New Energy Compact

- ACOSS, ECA, TEC developing vision and principles to guide the development of the future energy system

DER access and Pricing

- ACOSS, AEMC, AER, ARENA, ECA, ENA, TEC consulting on development of suite of measures, including a rule change, to *reform current pricing and access arrangements to support investment and operation of distributed energy services for more equitable and efficient outcomes for all energy users.*

DER Enablement to the Grid

- Renew leading a project exploring issues and options with regards to more equitable and efficient DER enablement in the grid

Victoria

Victoria

- Family Violence minimum standards and Utility Relief Grant criteria as of January.
- Department of Health and Human Services has mentioned an upcoming review of energy concessions in meetings.
- VDO price changes – 7.8% increase from January to reflect network pricing and forecast wholesale market
- AER upcoming Regulated Revenue Proposals for Electricity Distributors for the July 2021 – June 2026 period.
- ESC Electricity Distribution Code Review - draft decision on technical standards released 3 December. Draft decision on customer service standards upcoming.
- ESC draft decision on Clear and Fair Contracts – ESC will set a cap for pay on time discounts, prices will be fixed between VDO price changes (with exemptions), benefit periods will match contract length, banning headline conditional discounts in advertising, reducing back billing to four months. July 2020 implementation
- Feed In Tariff – ESC proposing 10c/kWh flat or between 9c/kWh and 12.3c/kWh time of use from July 2020.

Victoria

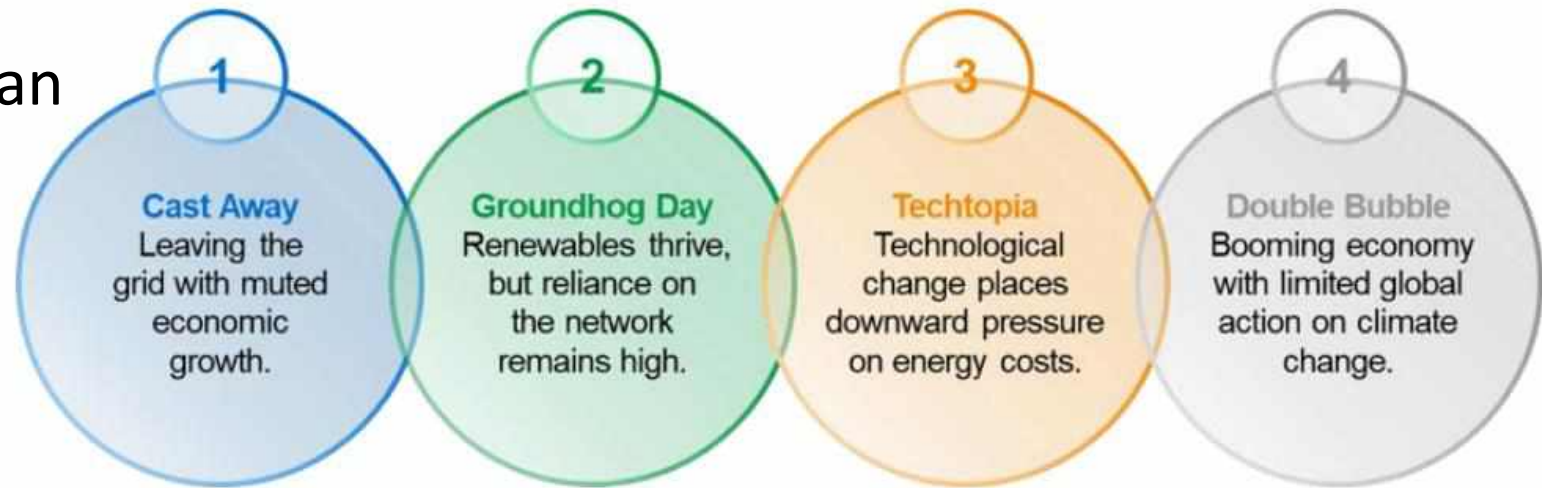
- 'Energy Fairness Plan' progressing with DEWLP and Treasury. Bans on win backs and saves, unsolicited sales and more powers and high penalties from the ESC. 'Draft legislation by mid-year' There was also an election commitment to ban embedded networks with no announcements yet.
 - Residential Tenancy Regulations Regulatory Impact Statement. Minimum standards for heaters in 'class one' (non-apartment) properties for the first round. Issue around draught sealing due to open flue gas heaters and there is also a Regulatory Impact Statement process for dealing with them.
 - Roadmap for Zero Emissions Vehicles under development by DEWLP.
 - Upcoming formal consultation on proposed changes to Victorian Energy Upgrades (formerly VEET). These are somewhat ambitious in terms of emissions reduction but may be bad for renters and low income people because lighting will no longer be in the scheme and the focus is on businesses. Must be set by May for 2021 -2025 implementation.
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- Bushfire update
 - Bushfires have caused outages in the Ausnet distribution zone, updates are here: <https://www.ausnetservices.com.au/en/Misc-Pages/Bushfire-Community-Support>

Western Australia

Western Australia

- Energy Transformation Strategy Implementation
 - Work program to plan for future of the SWIS and WEM

- Whole of System Plan



- Foundation Regulatory Frameworks

- Shifting from unconstrained to security-constrained market design

Western Australia

- DER Roadmap
 - Setting out changes to policies, technical requirements and consumer protections to support integration of DER
- Alternative regulatory framework for behind-the meter generation and storage
 - Intended to address consumer protection and enforcement power gaps
- Jan 10 blackout
 - Load shedding following fire at privately-owned power station

Tasmania

Tasmania

- The Tasmanian Government's key energy targets are:
 - 100% renewable energy self-sufficient by 2022 – on track.
 - the lowest regulated electricity prices in the nation by 2022 – close.
- Key energy projects:
 - Project Marinus – second interconnector between Tasmania and the mainland.
 - Battery of the Nation – pumped hydro projects contingent on Marinus link.
- Current reviews:
 - Tasmanian Wholesale Electricity Market Regulatory Pricing Framework
 - *Electricity Supply Industry Act* review
 - Solar Feed-in Tariff review

Tasmania

Future Issues:

- Ensure that Tasmanian electricity customers are not paying for Marinerus benefits that occur in other NEM regions.
- Electricity pricing post the expiration of the current price cap in 2021.
- Review of Concessions arrangements.
- Household energy efficiency in relation to Trajectory for Low Energy Buildings.
- Vulnerable customers and hardship programs.

NSW

Jurisdictional mapping – NSW

NSW Electricity Strategy, November 2019

- Purpose to ‘improve the efficiency and competitiveness of the NSW electricity market and encourage investment in new price-reducing generation and energy saving technology’
- Encourages renewables primarily by ‘rolling out’ Renewable Energy Zones. Asking for EOIs to invest in NSW REZs, starting with a 3,000MW pilot REZ in Central West. Also setting up REZ body to bring together investors and do planning and will change regulation to incentivize generators to cover transmission costs.
- Energy Security Safeguard – energy efficiency and demand reduction schemes
- Energy Security Target – a state specific reliability standard equal to enough capacity for NSW to handle heatwave conditions, plus extra buffer of the 2 largest generating units in the state.

Jurisdictional mapping – NSW

Bushfire response

- AGL & EnergyAustralia: freezing bills and debt collection notices
- Origin: offering 'short and long term assistant'
- Others: variously freezing bills and debt collection notices, lowering joining fees and donating to relief efforts. [More info](#).

Other

- Snowy 2 going ahead with very large transmission costs for NSW consumers and uncertain benefits
- Potentially removing moratorium on remote re-en and de-en
- Reviewing EAPA voucher provision
- Ausgrid embedded network tariff proposal being considered by AER
- Jemena Gas pushing for accelerated depreciation for new assets because of stranding risk from net-zero 2050 target

Queensland

Queensland – Jurisdictional Mapping

**Energy
Efficiency?
What's that?**

RTRAA

COAG/
Trajectory

Time of Use
(TOU) Energy
rather than
Transitional
Demand

**Tariff Structure
Statement**

Develop
clearer
customer-
centric
rationale for
tariff reform

Undertake
better
customer
impact
analysis
including
trials

Tariff reform
within overall
transformation
of electricity
grid and a just
transition to a
decarbonised
system.

Queensland – Jurisdictional Mapping

Review of Energy Legislation

- To Quexit or not to Quexit?
- Energy Efficiency and Demand Management.
- The return of the FiT – the force is strong in this one
- EWOQ – including customers in EN's and on-selling arrangements

QCA – RRP 2020-21

- Based on SEQ retail costs - R+N method
- Ensuring prices are no higher than the Default Market Offer
- The importance of including options for cost reflective tariffs
- Standing Offer Adjustment
- Updating prices based on efficient Retail Costs

South Australia

- Draft Decision on SA Power Networks regulatory proposals for 2020-2025 – major focus areas are ICT, repex, connections
- AGN SA Access Arrangement 2021-25 draft plan due for release next week
- AER has just ‘accepted’ business case for upgrade to interconnector with NSW
- SA Government has released an issues paper on support for batteries for private sector renters
- Ongoing Summer Readiness and bushfire issues

ACT

- Evoenergy Gas Network 2021-26 Access Arrangement Review for ACT & Queanbeyan-Palerang region process with AER
 - commenced June 2019 with draft plan due for release Feb/Mar 2020
 - ACTCOSS energy consumer advocacy workshop held in Aug 2019
 - Evoenergy online survey & citizens' jury Oct/Nov 2019.
- Independent Competition and Regulatory Commission (ICRC) Consumer Protection Code (for utility services) review final decision released Dec 2019 with updated code to take effect from 1 July 2020 – addresses recommendations included in ACTCOSS submission including automatic payment of rebates where guaranteed service levels haven't been met
- ICRC retail electricity price 2020-2024 determination underway and will consider whether changes could be made in the ACT to promote improved transparency and comparability of electricity price offers.

- ACT Sustainable Energy Policy 2020-2025 Discussion Paper released by ACT Government – ACTCOSS's submission in November 2019 made 20 recommendations. Policy is expected to be released by mid-2020.
- ACT Government extended its Energy Efficiency Improvement Scheme (EEIS) to 2030 with the priority (low-income) household target increased from 20% to 30%.
- In January 2020, ACT Government released Draft Variation 373, which will remove the mandatory requirement for gas connections to new suburbs (interim effect from 17 January 2020).
- Better Renting, as part of ACT Energy Policy Consortium, released 'Unsafe as houses: cold-housing deaths in the ACT' in August 2019.

THANK YOU