

Board Communique: July 2021

The Energy Consumers Australia Board met in Sydney and via Zoom on 15 July 2021.

Strategic Plan 2021-2024

The Board received and endorsed the Energy Consumers Australia (ECA) *2021-2024 Strategic Plan* (the Strategy).

Board members have closely collaborated with ECA staff and the Executive Management Team (EMT) to ideate and prepare the Strategy, a document that can be jointly owned by Board and staff and that recognises the developing identity of ECA as well as changes to the operating environment during the past six years.

The Strategy sets a strong direction for ECA's next three years, offering a clear explanation of the organisation's complex roles, an evidence-based vision for the preferred future energy system and a set of priorities and activities deriving from those understandings. It also puts in place a new measurement framework that will allow the Board to better track the EMT's progress against its clearly-outlined objectives and mandated activities.

The Board was pleased to endorse the Strategy, which it reviewed in "design draft" form. The document will now be finalised and a communications strategy prepared to share it with ECA's stakeholder network and with the broader community. Individual work plans, prepared by each executive Directorate will be prepared to sit under the strategy and guide the daily activities of ECA's five Directorates and their staff.

AEMO and 100% Renewables by 2025

The Board discussed the 14 July 2021 speech by the Australian Energy Market Operator (AEMO) Chief Executive Officer Daniel Westerman to the Committee for Economic Development of Australia (CEDA) in which AEMO announced an ambitious goal of having a grid capable of achieving 100% instantaneous penetration of renewable energy by 2025.

Board members noted that setting this goal was a positive step that had the potential to be a defining event for the energy transition that is underway. Mr Westerman's speech foregrounded the need for cooperation and collaboration across the energy sector to achieve this goal and board members were pleased to see AEMO locate the voices and needs of consumers as centrally important to this process. The speech also stressed the importance of AEMO securing social licence for changes that are required to reach the 2025 goal, a new direction for the market operator and one that reflects growing engagement on this issue between AEMO and ECA, as well as other stakeholders.

Social Licence Framework

The Board received an update regarding the growing influence of the social licence framework commissioned by ECA and carried out by CutlerMerz. The resulting report, which was launched in March 2021, has already had a positive impact in building support for the idea that rule framers and system operators should seek social licence from consumers before embarking upon policies or rule changes that involve curtailing or controlling behind-the-meter resources or behaviours.

Board members were pleased to hear that ECA staff are working with counterparts at the AEMO as that organisation seeks to identify ways to embed a strategy for social licence in their work. This is a space that is ripe for further collaboration and in which significant impact can be achieved for the benefit of consumers.

Energy Inclusion and hardship indicators

The Board noted with concern advice from the Director, Energy Inclusion about indicators and analysis that flag a continuing issue with household and business consumers struggling in the wake of the Covid-19 pandemic and associated economic impact. The last year has also seen hardship manifest in new ways: for example, culturally and linguistically diverse consumers, low-income renters and older customers without internet access have all been hit particularly hard.

Both the Australian Energy Regulator (AER) and the Essential Services Commission Victoria (ESCV) have recently reported on significant levels of distress across the community and the Board acknowledged emerging data that shows disconnections have been increasing to pre-pandemic levels. In the wake of the effective lifting of the AER's Statement of Expectations, Board Members endorsed ECA's position that it will be necessary to closely monitor disconnections and make sure that retailers are retaining the pragmatic but compassionate position towards consumers that has been witnessed during the pandemic to date.