

Board Communique: May 2022

The Energy Consumers Australia Board met in person and via video conference on 19 May, 2022

The May meetings of the Board of Energy Consumers Australia had significance not only because they represented a welcome return to meeting our stakeholders face to face, but also because they provided an opportunity to discuss matters of major importance to consumers and small business.

Board Stakeholder Event

The Sydney Stakeholder Forum attracted more than 60 NSW-based stakeholders to discuss the Second Transition in energy.

Leading the discussion, Energy Security Board and Australian Energy Market Operator Chair Anna Collyer provided a thoughtful exploration of the challenges facing regulators, market providers and consumers -- challenges that not only arise from the First Transition (the decarbonisation of the energy markets) but in particular from the Second Transition (decentralisation of energy markets).

Mc Collyer highlighted the significant shifts in thinking required from all who are involved in the current centralised model of the energy system as we both decarbonise and shift to much more decentralised energy production and storage systems. She was joined in her reflections by Lynne Gallagher, Chief Executive Officer of Energy Consumers Australia, and Louise Sylvan, the Organisation's Chair, for a wide-ranging discussion with stakeholders from consumer and community groups, as well as researchers, market regulators, government representatives and networks.

The Board is delighted that ECA can now get back to holding its regular in-person Stakeholder events and is looking forward to spending time in detailed discussion of its driving concerns with consumers and small businesses throughout the NEM.

Reference Committee

ECA's Reference Committee, its formal advisory body, also met by video conference with a focus of our discussions being the gas transition for homes and small businesses.

With such a difficult and complex transition - in addition to the 'first and second transitions' in electricity markets - all members agreed that it has become ever more crucial for those in decision-making positions to place consumers at the forefront of their deliberations. The gas transition requires major behavioural changes within households and small businesses over a relatively short time frame and ECA will work actively with Energy Ministers and consumer and small business organisations in framing the most appropriate and helpful pathways to successfully assist people in this changeover.

The Board was particularly mindful to ensure that electrification of homes and businesses happens in such a way that takes into account the need to ensure vulnerable members of the community are not disadvantaged or left behind.

Board Meeting

The board discussed matters arising from the Stakeholder and Reference Committee meetings. Of particular concern in the immediate moment are the historically high prices being paid by consumers and small businesses for their electricity and gas - prices that are not likely to reduce quickly.

Energy Consumers Australia will be emphasising to all -- including via the media -- that consumers can take significant action to control their bills (as distinct from influencing prices) and that governments and others have significant responsibilities to assist people in accomplishing this. The CEO briefed the Board on recent wholesale and retail electricity prices and their implications as well as the important jurisdictional differences that ECA is analysing at the moment.

The Board also discussed the range of challenges that the Second Transition is raising. Because of the historical design of the electricity system, market institutions and market participants tend to start from engineering and regulatory frameworks and then attempt to build in consumer acceptance of these system designs as 'givens'. As an example, consumer assets in the system are being called 'Distributed Energy Resources'; but these are not distributed from the perspective of the consumer -- they are instead located in their homes. For this reason, ECA is asking that the term used be Consumer Energy Resources and that these assets not be classed as problems to be controlled but as consumers' assets, which have the capacity to contribute to the whole of the system. The Board commended the work of the staff on these deeply challenging matters and the cutting-edge policy and research work that ECA is carrying out to transform our thinking for the new energy future.

The Board also reviewed the strategic intelligence scan being conducted by ACIL Allen to assist in prioritising those areas in which ECA can have the most material impact in creating beneficial change for consumers over the next 5-year period. The full details of the work will also be made available to other advocates and energy system stakeholders. In addition, ECA's newly-approved communications strategy and the progress of the stakeholder report were noted, in particular the insights being derived from the one-on-one qualitative interviews.

The Board also approved the audit plan 2022 by the independent auditors and noted the business workplan and risk management updates.