

26 May 2020
By email to
Dr Kerry Schott AO
Chair, Energy Security Board
John Pierce AO
Chair, Australian Energy Market Commission

Dear Dr Schott and Mr Pierce,

Re: Two sided energy market review process

We write to request the establishment of a consumer reference group to collaborate and provide input to the two-sided energy market process currently being undertaken by the Energy Security Board (ESB) and Australian Energy Market Commission (AEMC).

As a coalition of groups representing energy consumers across the National Energy Market (NEM), we are concerned with the lack of substantial consumer engagement in, and guidance of, a major reform process that will have significant impacts on all energy consumers.

We note the two-sided market process concerns similar matters to those raised in the Open Energy Networks (OpEN) collaboration between the Australian Energy Market Operator (AEMO) and Energy Networks Australia. Unfortunately, as you know, that process was unsuccessful, in part because of the late inclusion of consumer advocates. We observe similar pushes for centralised visibility and control over Distributed Energy Resources (DER) in the current two-sided market process as in the OpEN, and are concerned at the parallels in the absence of adequate consumer consultation.

We are aware a technical working group exists for wider post-2025 market design work, however this group is not specifically focussed on two-sided market issues, and does not sufficiently represent the breadth of expertise and perspectives among NEM consumer advocates. We firmly believe a representative consumer reference group would add considerable value to the two-sided market process and result in a superior market design that works for consumers.

We suggest the Distributed Energy Integration Program (DEIP) access and pricing working group provides a good model for a two-sided market consumer reference group. The DEIP working group has been successful in achieving a high degree of stakeholder engagement and consensus around regulatory reform.

We stress the ESB and AEMC should establish a customer reference group as soon as possible to ensure the best possible outcome from the two-sided market process. We are happy to discuss this matter further and look forward to your reply.

Your sincerely,



Mark Byrne
For:
Total Environment Centre
Public Interest Advocacy Centre
Renew
Australian Council of Social Service
St Vincent de Paul Society
Queensland Council of Social Service
South Australian Council of Social Service
ACT Council of Social Service