

National Consumer Roundtable on Energy Communique

Brisbane June 2019

The National Consumer Roundtable on Energy met in Brisbane on 27 June and 28 June 2019. The meeting considered priority consumer issues and included discussions with representatives from the Australian Energy Market Operator (AEMO), the Australian Energy Regulator (AER) and the Australian Energy Market Commission (AEMC).

This was the second Roundtable conducted under revised arrangements which included reports and discussion by two “Enabling Groups:”

Payment Difficulties

The Payment Difficulty / Hardship Enabling Group gave an update on progress around developing principles for an effective payment support framework and future work around collecting evidence to demonstrate systemic gaps in existing frameworks.

Participants prioritised the National Consumer Roundtable on Energy to continue taking action on this issue.

Roundtable members affirmed the importance of ongoing work to respond to people experiencing payment difficulties. The recent Customer Hardship Policy Guideline by the AER was welcomed by the Roundtable, while recognising that there is more work to be undertaken in this area. The importance of practices that also respond to the people who struggle with energy costs but who do not meet hardship criteria was also discussed.

Members of the Roundtable will also monitor impacts of the Default Market Offer (DMO) and Victorian Default Offer (VDO) as these approaches are applied

Opportunities and Challenges of DER

The DER Enabling Group gave an update on ongoing work/projects since the previous Roundtable, including developing Equity Principles for how the transition to DER should be paid for, and dealing with the split incentives issue for tenants living in rental properties.

Participants prioritised the National Consumer Roundtable on Energy to continue taking action on this issue. Two workshops are being planned for the next 6 months.

The significance of the ISP framework and Renewable Energy Zones debates was also noted, along with the importance of opportunities for consumer interests to be well represented in all considerations about these issues and DER more generally.

Other Issues that were considered included:

Coordinating Generation and Transmission Investment (COGATI)/Integrated System Plan (ISP):

- A Masterclass was held on 26 June 2019 prior to the Roundtable to increase advocates' understanding of COGATI/ISP issues to improve their ability to engage in regulatory processes including the AEMC COGATI review, Energy Security Board (ESB) work on ISP implementation and AEMO's ISP development
- The Roundtable also welcomed a presentation by AEMO on the ISP, with participants particularly interested in the development and implementation of Renewable Energy Zones (REZ)

Members of the Roundtable will continue to explore opportunities to coordinate consumer input in this space.

Consumer engagement from market bodies:

- The Roundtable welcomed a presentation from the AER around the strategic objectives driving their annual work program and an update on their new structure including a new consumer engagement branch
- AEMO also presented on their proposed Consumer Engagement Plan and participants welcomed opportunities to provide feedback on the proposed approach.

Commitments by AEMO to enhanced consumer engagement were warmly welcomed, with AEMO invited to continue its engagement with participants at future meetings.

Resourcing Consumer Engagement:

- Uniting Communities provided an update on its Resourcing Consumer Engagement Project and welcomed feedback prior to submission to ECA. There were varying views and feedback from participants about the best model going forward. Uniting Communities will provide the draft reports to the Roundtable members and will seek feedback as part of the report finalisation.

Funding matters raised in the presentation were noted, particularly the summary of 'gaps' in current capacity for consumer groups. Roundtable members indicated strong interest in the emerging proposals with Uniting Communities offering to also set up a post-Roundtable teleconferences to further refine recommendations.

Jurisdictional Mapping:

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

Energy Security Board (Future Market Design):

- Participants were given an overview of key issues relating to the ESB's work on the post 2025 Market Design for the NEM. The group discussed the 'problem definition' from a consumer's perspective and began developing high level principles and/or objectives that reflect a good consumer outcome. There was interest in forming an Enabling Group around this area to enable Roundtable members more broadly to

provide input into the process through those Roundtable members who are directly involved.

The importance of consumer engagement strategies being central to all future market design options was highlighted.

Network Economic Regulatory Framework:

- The AEMC were welcomed back to the Roundtable and provided an update on their new priority areas for reform (generator access and transmission pricing; system security; integration of DER; digitisation of energy supply; and aligning the financial incentives with the physical needs of the system). Participants provided feedback on how these priority areas are framed to ensure consumers are at the centre of reform.

All participants in the discussion observed the value of the roundtable for holding discussions of this ilk.

Governance and emerging issues for the Roundtable:

- The Roundtable discussed how the new enabling group framework was working. There was general agreement that the new approach was working well and the Roundtable endorsed continuing the work of the two existing enabling groups. The Roundtable will explore additional ways in which advocates not participating in an enabling group are able to remain engaged in issues.
- The Roundtable also discussed and identified emerging issues of focus/priority for the 2019/20+ horizon. This will assist in providing guidance to the Roundtable and members individually of areas to consider going forward.

There was interest in forming an Enabling Group on the ESB 2025 review. This will be explored and developed over the coming months.