

Ministerial Council on Energy

Standing Committee of Officials Bulletin No. 190

Implementation of the National Energy Customer Framework

The Ministerial Council on Energy (MCE) Standing Committee of Officials (SCO) would like to update stakeholders on the implementation of the National Energy Customer Framework (NECF) and the co-ordination activities of the Joint Implementation Group (JIG). Another important milestone was reached on 17 March 2011 when the NECF Bills received the Royal Assent after passage through the South Australian Parliament.

In order for participating jurisdictions to implement the NECF by the target date of 1 July 2012, a range of legislative and regulatory activities must be undertaken by each jurisdiction, national market bodies such as the Australian Energy Market Operator (AEMO) and the Australian Energy Regulator (AER), and energy retail and distribution businesses. Many of these activities will occur concurrently and as such it is important that all stakeholders are aware of these activities and that they are coordinated where possible.

The SCO recognises that the implementation of the NECF will affect a wide range of stakeholder groups, including national energy market bodies, market participants, and end users. SCO has today approved arrangements for the JIG to release regular updates on NECF implementation, informing stakeholders of recent and upcoming implementation activities by both national bodies and individual jurisdictions. The JIG will be working to ensure that each stakeholder group is kept informed through regular communications. Stakeholders will also have the opportunity to participate in the implementation of the NECF via any consultation processes undertaken by participating jurisdictions.

To provide direction on the initial stages of the transition project, the SCO has also agreed the following transitional matters:

- retailers that currently have Retailer of Last Resort (RoLR) responsibilities in participating jurisdictions will be appointed, via transitional provisions, as initial default RoLRs when the NECF commences;
- retailers¹ who wish to sell energy under the NECF will be required to have an approved Customer Hardship Policy in place for NECF commencement. Transitioning retailers will be advised of the date, expected to be before the end of 2011, by which their draft policies will need to be submitted to the AER for approval;
- activities carried out by the AER and AEMO in accordance with NECF requirements prior to NECF start (such as consultation, making instruments and decision-making) will be supported by appropriate transitional provisions enacted by participating jurisdictions to ensure instruments and decisions made as a result of these activities are validly made under the Laws and Rules and take effect on commencement of the NECF; and
- that the transition of existing customer retail and connection contracts to those under the NECF will be managed by each jurisdiction in a manner which seeks to ensure that contracts conform to the NECF regulatory regime as soon as possible, while ensuring a minimum of disruption for customers and preserving any relevant rights accrued under the former jurisdictional regime prior to the date of transition.

This document is also available at www.mce.gov.au.

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¹ The JIG has begun work to develop arrangements for the transition to the national retailer authorisation framework.

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