



18th December 2006

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Comment on 2006 Legislative Package: Consumer Advocacy Arrangements

The Alternative Technology Association (ATA) welcomes the opportunity to provide comment on the *2006 Legislative Package – Consumer Advocacy Arrangements*.

ATA is a not-for-profit organisation established in 1980 to promote the uptake of sustainable technologies in order to protect our environment. The organisation provides service to over 3000 members, who are actively promoting sustainability in their own homes by using good building design and implementing water conservation and renewable energy technologies. ATA advocates in both the government and industry arena for ease of access and continual improvement of these technologies, as well as the production and promotion of information and products needed to change the way we live.

Definition of Small to Medium Consumers -

ATA welcomes the initiative to limit consumer advocacy funding to small to medium consumers in the NEM. However, we are alarmed at the defined consumption level given to separate large from medium consumers. The 2006 Legislative Package defines small to medium consumers as those using less than 4GWh of electricity or 100TJ of gas per annum. These appear significantly greater than generally accepted levels commonly used by the electricity industry.

The Essential Services Commission of Victoria defines large electricity customers as those "whose aggregate consumption from a supply point has been or, in the case of a new supply point, has contracted to be more than 160 megawatt hours in any year commencing on or after 1 January 1997".¹ This level is 25 times less than the cut-off point proposed by the Legislative Package. Further, Victorian industry distribution tariff reports for 2007 universally adopt an annual consumption of 400MWh as the demarcation point between medium and large consumers, a figure still 10 times less than that proposed for the Advocacy Panel.

Customers with an annual electricity consumption in the order of 4000 MWh would be facing bills in the order of \$300,000+ per annum, be actively negotiating contacts with electricity retailers and distributors, and could be expected to have the resources to represent themselves to the industry, regulators and in the National Electricity Market reform process.

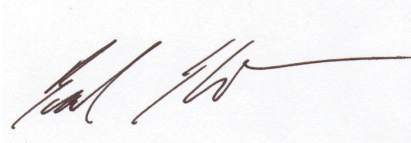
¹ Defined in the ESC *Electricity Retail Licence - Energy Brix Australia Corporation Pty Ltd*, Feb 2006

ATA believes that the definition of small to medium users proposed by the Standing Committee of Officials in the 2006 Legislative Package sets the limit for access to limited Advocacy Panel funds far too high, potentially disadvantaging the very consumers the Advocacy Panel was established to protect by diverting funds to end-users adequately resourced and capable of representing themselves.

Further Contact -

ATA would welcome the opportunity to discuss any aspect of this submission. Please direct any questions or further correspondence to Brad Shone, Energy Policy Manager, on 9631 5406 or Brad.Shone@ata.org.au

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brad Shone', followed by a long horizontal line extending to the right.

Brad Shone
Energy Policy Manager
ATA