

Ministerial Council on Energy

Energy Market Reform Bulletin No.4

Release of User Participation Discussion Paper for Public Consultation

This bulletin provides some background to the user participation workstream of the energy market reform program and outlines the proposed consultation process to be followed by the User Participation Working Group

In its December 2003 response to the Council of Australian Governments' (COAG) Energy Market Review, the Ministerial Council on Energy (MCE) included user participation in the priority items for further market reform. The need to increase the engagement of end users in the Australian energy market was identified as necessary to achieve effective competition and to maximise the benefits of market reform for energy consumers.

The MCE directed its Standing Committee of Officials (SCO) to consider three factors that would facilitate greater end user participation in the energy market. They are:

- the scope to facilitate a demand side response pool in the National Electricity Market (NEM);
- the costs and benefits of interval metering in the NEM; and
- alignment of retail price caps with supply costs and periodically review of the need for price caps in jurisdictions where full retail competition is operating.

The attached discussion paper examines each of these issues in turn as well as a number of generic market barriers that have historically impeded user participation in the energy market. The paper outlines a set of proposed policy directions that might form an appropriate path to achieve the objective of enhanced user participation.

SCO is seeking written submissions and stakeholder views on a range of issues discussed in the paper to inform the development of policy actions by the MCE. SCO is particularly interested in obtaining the views of energy consumers, consumer advocates, retailers, distributors, and other market participants and institutions. The paper also makes reference to a number of background documents that stakeholders may wish to access when preparing submissions. Links to these documents are available on-line at www.mce.gov.au/upwg.

Details of the consultation process are outlined in the attached discussion paper, and key dates in the consultation process are:

Closing date for stakeholder workshop pre-registration	18 March 2004
Stakeholder workshops (dates and location to be advised)	5-8 April 2004
Deadline for written submissions	16 April 2004

Please indicate your interest in attending a workshop and your preferred location by return email to hilary.schofield@dier.tas.gov.au.

12 March 2004