

Ministerial Council on Energy

Energy Market Reform Bulletin No. 80

Release of Consultation Working Paper No 3 by Retail Policy Working Group

This Bulletin announces the release by the Retail Policy Working Group (RPWG) of [Working Paper 3](#) on the development of the national arrangements for energy distribution (non-economic) and retailing (non-price) regulation.

The RPWG is a sub-group of the Ministerial Council on Energy's (MCE) Standing Committee of Officials (SCO).

The RPWG is responsible for developing recommendations for the SCO and MCE for the national regulation of energy distribution (non-economic) and retailing (non-price) regulation.

Working Paper 3 covers business authorisation, ring-fencing and retailer failure arrangements. The working paper is for comment only and does not represent a settled position by MCE, participating jurisdictions, the SCO or any jurisdictional supporting officers.

The MCE's decision on the final recommendations for the national distribution and retail regulatory functions will be included in the legislative package and associated Rules in 2007 to complete the transfer of the national distribution and retailing regulation to the Australian Energy Market Commission (AEMC) and the Australian Energy Regulator (AER).

Ring-fencing

Working Paper 3 outlines options for uniform ring-fencing arrangements to apply to the gas and electricity regimes. RPWG notes that ring-fencing has also been considered within the context of the 2006 legislative package, which will transfer the economic regulatory functions to the national framework.

Submissions to Working Paper 3 should take into account the exposure drafts of the National Gas Law (NGL) and National Electricity Law (NEL) and accompanying explanatory material, released on 7 November 2006 and 5 January 2007 respectively. SCO seeks stakeholder views on whether submissions on ring-fencing should be taken into account as part of:

- finalising the NGL/NEL and accompanying rules as part of the transfer of economic functions to the national framework. This would enable amendments to the ring-fencing arrangements in gas and electricity to be streamlined; **or**
- the transfer of non-economic distribution and retail functions to the national framework.

Submissions

In order to inform the development of recommendations for the SCO and the MCE on the national distribution and retail functions, submissions on Working Paper 3 are invited from interested stakeholders on any aspects of the working paper.

Those who wish to make written submissions may do so by submitting their documents electronically to:

Manager, MCE Secretariat,
Department of Industry, Tourism and Resources,
GPO Box 9839
Canberra ACT 2601
MCEMarketReform@industry.gov.au

Submissions on Working Paper 3 can be lodged by **Friday 16 February 2007**. Further opportunities for submissions on all elements of the proposed national regulation of energy distribution (non-economic) and retailing (non-price) will be provided before final recommendations are forwarded to SCO and MCE in April/May 2007.

It is intended to make electronic submissions publicly available on the Ministerial Council on Energy website. If you do not want all or part of your submission made publicly available, or you consider any part of your submission to be confidential or commercial-in-confidence, you should make this clear in your submission.

MCE Standing Committee of Officials
25 January 2007