

Ministerial Council on Energy

Energy Market Reform Bulletin No. 114

Retail Policy Working Group update and Retailer of Last Resort Consultancy

The Ministerial Council on Energy (MCE), at its 13 December 2007 meeting, agreed to delay the introduction of the National Retail (and related) Rules to the South Australian Parliament until September 2009 in recognition of the complexity of the issues in creating a national framework. Included in the revised timetable accepted by MCE was that the work on the Retailer of Last Resort (ROLR) scheme should be advanced so that the arrangements for a national scheme can be introduced with the National Retail rules. This approach ensures that consideration of a national ROLR scheme is not delayed any further as a result of the delay in the Retail package.

The purpose of this Bulletin is to provide information to stakeholders regarding the key milestones in development of the National Retail Rules and the approach to progress the development of a national ROLR scheme.

Within the timetable that will result in introduction of the package to SA Parliament in September 2009, the Retail Policy Working Group (RPWG) anticipates publishing a MCE Standing Committee of Officials (MCE SCO) policy paper in April 2008. This policy paper will provide a response to the recommendations contained in the Allens Arthur Robinson (AAR) Composite Paper as well as providing the policy endorsed by MCE SCO to underpin the National Retail Rules. This paper will be subject to an intensive consultation process involving stakeholders, including a face to face forum as well as an opportunity to provide written submissions.

After considering public submissions, officials will prepare drafting instructions and Rules, with first exposure drafts to be released for consultation in late 2008. The subsequent process is anticipated to include the release of a final exposure draft in April 2009.

To progress the development of the national ROLR scheme, the MCE SCO is seeking to engage a consultant to provide advice on an appropriate national policy framework for a ROLR scheme for energy. The consultant will also prepare a draft MCE direction to the AEMC to carry out a review of the current ROLR arrangements and make recommendations for relevant changes as a basis for a national scheme. The draft direction to the AEMC will include a direction to make recommendations for any Rules (to be included in the National Electricity Rules (NER) and the National Gas Rules (NGR)) required to implement the national ROLR scheme.

The MCE will consider the AEMC advice and draft Rules when deciding what ROLR related Rules to incorporate as part of the initial set of National Retail (and related) Rules expected to be made in the last quarter of 2009.

Accordingly, the MCE SCO has today released a request for tender to members of the Energy and Environment Tender Panel.

MCE Standing Committee of Officials
13 February 2008

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