



Ethnic Communities' Council of NSW Inc.

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Manager, MCE Secretariat
Department of Industry, Tourism and Resources,
GPO Box 3839
Canberra ACT 2601

Submission to

Standing Committee of Officials of the Ministerial Council on Energy

“Cost-Benefit Analysis of Options for a National Smart Meter Roll-Out

Consultation: Regulatory Impact Statement”

Dear Secretariat,

Ethnic Communities Council of NSW (ECC) welcomes the opportunity to comment on the “Regulatory Impact Statement (RIS) – Phase 2 – Smart Meters Jurisdictional and Detailed Analysis, prepared by Ministerial Council on Energy (MCE).

ECC agrees with the problem definition associated with the roll-out of smart meters as mentioned in the “**General questions**” in the RIS. In terms of the proposed benefits, costs, risks and impacts outlined, we suggest the establishment of a Demand Management (DM) Fund to maximize the benefits and minimize the risks of a national smart meter roll-out. The DM Fund should target the residential customers, especially the low-income households, to help them overcome the lack of information and the high capital costs associated with the energy efficiency measures / renewable energy initiatives. This will complement the equity issues raised from the national roll-out of smart meters, as well as the proposed time-of-use (TOU) tariffs / critical peak pricing (CPP) mechanisms.

In regards to the implementation issues, we suggest that an independent community-based organisation - whose goal is to reduce peak electricity demand by helping communities implement technologies, and/or change behaviour - can be an effective means of producing a significant demand curtailment resource to respond to price signals in a relatively short lead-time.

In relation to the “**Specific questions**”, ECC supports the inclusion of HAN in the national minimum functionality of smart meters (Q2). The status quo (i.e. a mix of accumulation interval and smart meters) is not sustainable because it will lose the economy of scale for demand management initiatives (Q4). ECC also agrees that a smart meter mandate provides higher net benefits than a DLC-only scenario (Q5). For Q12, ECC prefers the distributor-led roll-out of smart meters since it would attain the maximum amount of benefits.

The full benefits of the potential national roll-out of smart meters can only be realised through efficient TOU tariffs set by distributors, a retailer's ability to pass through the

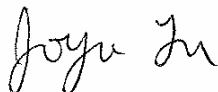
price signal and, most importantly, a customer's capacity to respond. However, customers need to have the knowledge and means in order to respond to the price signal, therefore, to reduce peak electrical demand within the particular time period, and/or in the specific network constraint area.

For Q20, Q21 and Q24, we strongly suggest the idea of customer education regarding how they can manage their demand in order to affect their bill rates. However, it is neither the distributor's nor the retailer's core function to educate customers to reduce electricity consumption, although both sectors should participate in education measures. Furthermore, industry restructuring, emerging technologies, competitive pressures and environmental concerns require utilities to consider new approaches to meeting their customers' increasing demand for reliable, renewable and affordable energy. Government policy initiatives also need to go into the mix of public education. A flexible non-government organization will better serve the purpose.

A good example of a non-government education measure is the establishment of the Community Energy Cooperative ¹(CEC) of Chicago, IL, in the USA. CEC is an innovative private sector initiative to address energy reliability and capacity issues in targeted communities developed by the local utility, the Commonwealth Edison (ComEd), and the Centre for Neighbourhood Technology (CNT). CEC works with Illinois residential, commercial and industrial energy customers to help improve reliability by changing behaviour and energy-use patterns in their communities. CEC has a diverse mix of energy experts, engineers, entrepreneurship experts, social capital experts, cooperative experts, ethnographic researchers and product designers to design and implement DM initiatives. Therefore, the role of DM education / implementation can be supplemented by the work of a third party.

If you have any questions about this submission, please do not hesitate to contact me on 02 9319 0288.

Sincerely yours,



Joyce Fu
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¹ T Freyer etc 2002. "Combining Community-Based Efforts and Geographic Targeting to Optimize Delivery of Energy Efficiency Program", 2002 ACEEE Summer Study on Energy Efficiency in Buildings, CA US