

Strategic Priorities for Energy Market Development

EUAA Annual Conference 2013



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NEM REGULATION AND GOVERNANCE



Law and Policy making



Australian
Energy
Market
Commission

Rule Maker and
advice to SCER



Power System &
Market Operator



Economic Regulation
& Rule Compliance

PROPOSED STRATEGIC PRIORITIES 2013

Priorities proposed in Discussion Paper, April 2013:

- **Consumer priority:** strengthening consumer participation and continuing to promote competitive retail markets
- **Gas priority:** promoting the development of efficient gas markets
- **Market priority:** market arrangements that encourage efficient investment and flexibility

Discussion paper	Stakeholder workshops	Final report
APRIL 2013	APRIL-MAY 2013	OCTOBER 2013

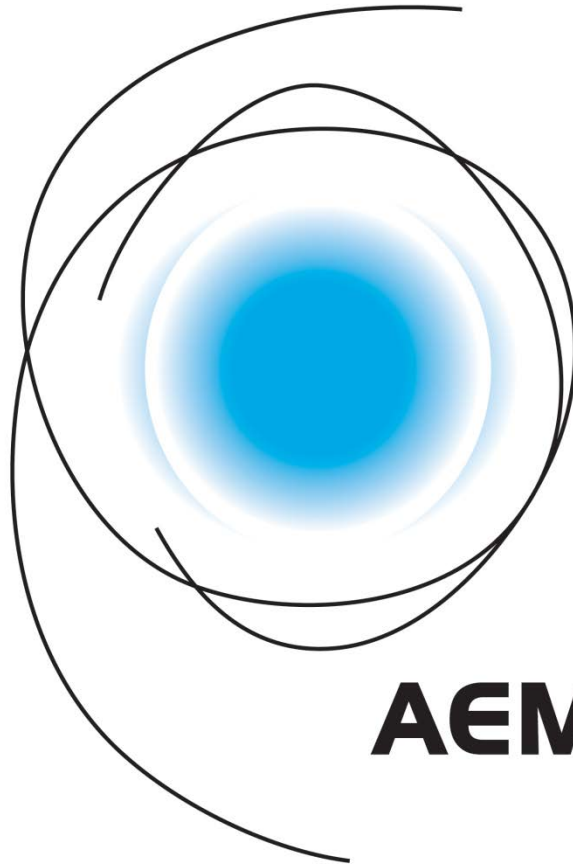
DISTRIBUTION NETWORK PRICING ARRANGEMENTS RULE CHANGE REQUEST

- Evidence of significant costs and foregone opportunities from absence of clear price signals
- Rule change seeks:
 - a better linking of costs to peak demand use
 - greater consultation between distributors and their customers in structuring their prices

Consultation paper	Draft determination	Final determination
NOVEMBER 2013	Q2 2014	Q3 2014

DEMAND RESPONSE MECHANISM RULE CHANGE REQUEST

- Consumers currently limited in their ability to respond to changes in the wholesale electricity spot price
- Demand resources would be treated in a similar way to generation
 - would be paid the wholesale electricity spot price for reducing demand
- AEMO drafting request
 - anticipate submission in December 2013
 - AEMC consultation in first half 2014



AEMC