

New rules proposed for distribution network prices

The Australian Energy Market Commission today called for submissions on draft rules to change how distribution networks charge consumers for electricity.

Releasing the draft determination on proposals to amend distribution network pricing arrangements in the National Electricity Rules, AEMC Chairman John Pierce said the new rules would enable consumers to make more informed decisions about how they use energy services.

“There are differences between how individual consumers choose to use electricity, due in part to new technology and changes in the way we live. The way consumers are charged for electricity has not kept pace with these changes.

Under current price structures, all consumers pay the same network prices based on fixed charges and the volume of electricity consumed, regardless of how or when they are using power. Network prices are responsible for about 50 per cent of the electricity prices paid by residential consumers on average across Australia, and a key driver of these costs is peak demand.

“Existing network prices over-recover revenue for off-peak use of the network and under-recover for peak use. This means consumers who use most of their energy at off-peak times are paying more than it costs to supply network services to them - while those using energy at peak times are paying less than it costs.

“The amount of electricity used by individual households at different times of the day can vary enormously depending on the various appliances and technologies being used from home to home,” he said.

“But consumers aren’t being given the option of reducing their peak demand to save money, or continuing to use electricity at those times when the value they place on that use outweighs the costs.”

The AEMC draft determination details the impacts of different types of energy use patterns on network prices. Examples include:

A consumer using a large 5kW air-conditioner in peak times will cause about \$1,000 a year in additional network costs compared with a similar consumer without an air-conditioner, but the consumer with the air-conditioner pays about an extra \$300 under the most common network prices. The remaining \$700 is recovered from all other consumers through higher network charges.

A consumer using an average-size north-facing solar PV system will save themselves about \$200 a year in network charges compared with a similar consumer without solar. Because most of the solar energy is generated at non-peak periods during the day, it reduces the network’s costs by \$80, leaving other consumers to make up the \$120 shortfall through higher charges.

We are focused on establishing the right regulatory regime for the future so everyone can make clearly informed decisions about their energy use as new technologies emerge.

The majority of consumers are expected to benefit from these changes through lower network prices in the medium to longer term. Some consumers would choose to respond to new network price structures by reducing their use of the network at peak times, which will reduce overall network costs. Those cost savings would be passed on to all consumers through lower future network prices.

Analysis undertaken for the AEMC estimates that up to 81% of consumers would face lower network charges in the medium term under a cost-reflective capacity price and up to 69% would see lower charges under a critical peak price.

Mr Pierce said that while different technologies impact network use in different ways, the rules should be flexible enough to result in efficient outcomes regardless of the technology being used.

“We are focussed on establishing the right regulatory regime for the future so everyone can make clearly informed decisions about their energy use as new technologies emerge.”

Under the proposed rule change, consumers would have clearer incentives to consider how, when and where they use energy.

The new approach to structuring network prices would help people see the value of different choices such as:

- Investing in more efficient appliances or new technologies that can help manage their energy use at peak times
- Installing solar panels that point west so they can generate more energy at peak times
- Investing in batteries to go with their solar panels
- Choosing to locate their business in an area where network costs are lower.

The proposed changes would be introduced over the long-term. Network businesses will be required to minimise the impacts of price changes on consumers, for example by gradually transitioning consumers to new prices over 5 years or more if necessary to avoid sudden price changes.

Mr Pierce said network prices would continue to be developed by the networks with oversight from the Australian Energy Regulator, but under the proposed new rules consumers would have greater influence on the decisions made and the prices they pay.

There will be more consultation with consumers and retailers when networks develop their prices and the process for setting prices will be more transparent. Network prices will be finalised earlier, giving consumers and retailers more time to prepare for price changes.

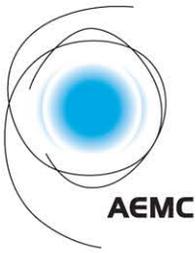
The AEMC has consulted extensively with industry and consumers in the development of the draft determination. Further consultation will occur before a final decision is made in late November this year. Network businesses would need to start consulting on the development of new tariffs and submit draft proposals to the AER in mid-2015 for new prices to be phased in from 2017.

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28 August 2014



Draft new rules for distribution network prices

The AEMC has called for submissions on draft rules made in relation to requests from the COAG Energy Council and the NSW Independent Pricing and Regulatory Tribunal (IPART). The rules would enable network prices to reflect the way individual consumers use network services so consumers can make informed decisions to better manage their electricity usage. Submissions are due by 16 October 2014.

What did we decide in the draft determination?

In the draft determination, we have set a new pricing objective for distribution businesses so prices reflect the efficient costs of providing network services to each consumer. This will allow consumers to compare the value they place on using the network with the costs caused by their use of it.

The distribution businesses must comply with four new pricing principles to achieve the objective:

- Each network tariff must be based on the long run marginal cost of providing the service. If consumers choose to take actions that will reduce future network costs, such as by reducing peak demand, then they will be rewarded with lower prices. Network businesses will have flexibility about how they measure long run marginal cost.
- The revenue to be recovered from each network tariff must recover the network business's total efficient costs of providing services in a way that minimises distortions to price signals that encourage efficient use of the network by consumers.
- Tariffs are to be developed in line with a new consumer impact principle that requires the impact of annual changes in network prices to be minimised and prices to be easily understood. Consumers are more likely to be able to respond to the price signals that network prices are designed to send if they can relate their usage decisions to network price structures and sudden price changes are avoided. Network businesses can gradually phase-in new prices over several years if necessary to minimise the impacts of price changes on consumers.
- Network tariffs must comply with any jurisdictional pricing obligations imposed by state or territory governments. But if network businesses need to depart from the above principles to meet jurisdictional pricing obligations, they must do so transparently and only to the minimum extent necessary.

How will the change impact the way prices are set?

The draft rule contains a new process and new timeframes for setting network prices to improve certainty, timeliness and transparency for consumers and retailers.

Distribution businesses will be required to:

- Develop a tariff structure statement for approval by the AER as part of their five-year regulatory reset process. Key matters including price structures

The AEMC invites submissions on the draft rule determination and draft rules by 16 October 2014.

will be approved as part of this process, subject to a limited ability to make amendments during the regulatory period with AER approval. Price levels will continue to be approved annually, but a pricing schedule will give consumers and retailers more information about indicative price levels for the regulatory period.

- Demonstrate to the AER how they have consulted with consumers and retailers in developing their price structures.
- Notify consumers and retailers of final network prices at least six weeks before they commence, allowing them to better prepare for price changes.

What does this draft rule change address?

This draft rule change determination addresses issues raised by rule change requests from IPART and the COAG Energy Council in relation to the setting of distribution network prices.

Due to the overlap of issues, these requests were consolidated into one process that improves:

- Arrangements within the National Electricity Rules around how distribution businesses set and structure network prices.
- Consumer opportunities to have a say in how they can best respond to changing network prices.
- Retailer and consumer engagement in network price setting.
- Timing of annual network price setting.

Building on the 2012 network regulation reforms

These changes form part of the ongoing reform by the AEMC in the area of network regulation, which includes significant rule changes made in November 2012 to better equip the regulator to set efficient revenues for network businesses. This draft determination does not change the rules regarding how much revenue network businesses may earn in total from consumers. Instead, it is the next step in the reform process and relates to how network businesses divide up that total amount of revenue into network prices that apply to individual consumers.

AEMC Power of Choice Reform Program

This rule change is part of a reform program identified by the 2012 AEMC Power of Choice Review to help consumers participate more effectively in energy markets.

The AEMC is currently assessing a series of other Power of Choice rule changes: customer access to information about their energy consumption; expanding competition in metering and related services; AEMO obtaining better demand side participation information; and reform of the demand management embedded generation incentive scheme.

Submissions

The AEMC invites submissions on the draft rule determination and draft rules by 16 October 2014.

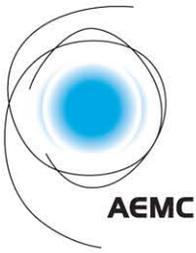
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Why do we need to restructure distribution network prices?

Backgrounder

Distribution Network Pricing Arrangements Rule Change: Draft Determination

Consumers need to be able to make informed decisions about their energy use

Consumers are not being given the information they need to make informed decisions about how to use energy services.

Most residential and small business electricity consumers currently pay network charges under flat and inclining block tariffs.

This means everyone pays the same network prices based on the volume of electricity they consume, regardless of when they consume it.

People receive substantial network price reductions for reducing total usage, even though total energy usage is not a key driver of network costs.

On the other hand, consumers only receive small reductions in prices from reducing peak usage, even though the costs of providing network services at peak times are high.

This disconnect between the structure of network prices and the costs of providing network services creates inefficient incentives that influence consumption and investment decisions.

Example 1: A household with an air-conditioner has a strong incentive to reduce energy usage in the middle of the day to save money, even though that will not reduce network costs. But the family has little incentive to reduce usage in the early evening peak times when much greater network cost savings could be achieved by even small reductions in usage. The household is unlikely to invest in new technologies that could help them reduce their peak usage, for example smart thermostats or technology that can automatically cycle the air-conditioner to economy for brief periods without any decrease in comfort.

Example 2: A household with solar panels could reduce network costs considerably by facing those panels west, but under current network price structures has no incentive to do so because their benefits are greater from facing them north even though north-facing panels generate less energy at peak times.

Cost reflective network prices would allow consumers to make more informed choices about when, where and how they use electricity.

The prices consumers pay would reflect the decisions that they make and the costs caused by those decisions. If consumers chose to use electricity in ways that reduce network costs, for example by using less power at peak times when the network usage is at its highest, they would be rewarded through lower electricity charges.

If consumers value using electricity at peak times more than the costs of doing so, they would be able to make an informed decision to use electricity at those times.

New technology has given consumers and network businesses more options in relation to how energy is provided and consumed. The structure of network prices has not kept up.

Under our draft new rules, network businesses' development of price structures will be guided by a new network pricing objective that network prices should reflect the businesses' efficient costs of providing services to each consumer.

Consumers should be at the centre of decision-making

There is currently no requirement for network businesses to consult consumers or retailers when they develop their pricing structures. Network businesses are not required to consider whether consumers can understand their prices, or the impacts on consumers when prices change from year to year, for example how to minimise sudden price changes.

Our draft rule requires greater consideration of consumer needs. Including consultation and transparency when setting prices, and more notice before prices change.

The way we use energy is changing

New technology has given consumers and network businesses more options in relation to how energy is provided and consumed. The structure of network prices has not kept up.

For example, under current network price structures, consumers receive no reward for installing battery storage, despite its ability to significantly reduce network costs. There is no incentive to choose appliances that can be programmed to operate at off-peak times over those that can't.

Network prices should be structured so consumers can choose the technologies that best suit their circumstances and receive a financial benefit if they make choices that also reduce network costs. This would allow everyone to make more informed decisions about their energy use as new technologies emerge – leading to better outcomes for both individual consumers and the overall electricity system. If some consumers choose to reduce their energy use at peak times, this will result in lower network costs and lower average network prices for all consumers in the future.

This draft determination seeks to prepare the regulatory regime for the future so that the way network prices are structured reflects the different ways consumers use electricity.

What is a flat tariff?

Many network businesses currently recover most of their costs through energy usage prices that do not vary depending on the time of day. These prices are usually expressed in cents per kilowatt hour (c/kWh). There is usually also a fixed price, expressed in cents per day.

What is an inclining block tariff?

Some network businesses structure their prices as an inclining block. This is like a flat tariff, but the energy usage component is divided into different blocks for different amounts of usage. The price of each block increases as the consumer uses more electricity in a billing period. As another alternative, some networks use a declining block tariff, where the price of each block decreases as more energy is used.

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28 August 2014

CASE STUDIES

Our lifestyle has changed – so the way we pay for power has to change

There are considerable differences in how individual consumers choose to use energy. Consumers' lifestyles and the various appliances and technologies they use mean that consumers that may otherwise appear very similar can use electricity very differently. The way that network prices are structured has not kept pace with this increased diversity in how we use energy.

People who use less power at peak times are paying higher network prices so other people can use more

Most electricity consumers pay network prices based on the volume of energy they use, regardless of what time of day it is used or how much it costs to supply.

The true cost of supplying energy is much higher at times of peak demand than it is at other times.

People with different lifestyles use energy in different ways.

But under current flat and inclining block tariff structures, consumers are not charged in a way that reflects their usage at peak times and the increased network costs they cause.

It means those who use a greater proportion of their electricity during off-peak times such as the middle of the day are subsidising people who concentrate their use of power when demand is highest.

It also means consumers are not being given the information they need to make informed decisions between their electricity use and what they pay.

Case studies on the impact of different technology choices on consumers' charges

The draft determination for the Distribution Network Pricing rule change includes case studies which investigate how our modern lifestyle and appliances are affecting the need for network investment.

The AEMC commissioned an analysis of the impact of changing electricity consumption patterns on network costs, and how these costs are recovered.

The examples selected by NERA Economic Consulting included the use of air-conditioners in the SP AusNet distribution area in Victoria, and solar PV in the SA Power Networks area of South Australia. These case studies are summarised below.

NERA also undertook case studies on battery storage and electric vehicles, which are available in NERA's report on the AEMC's website.

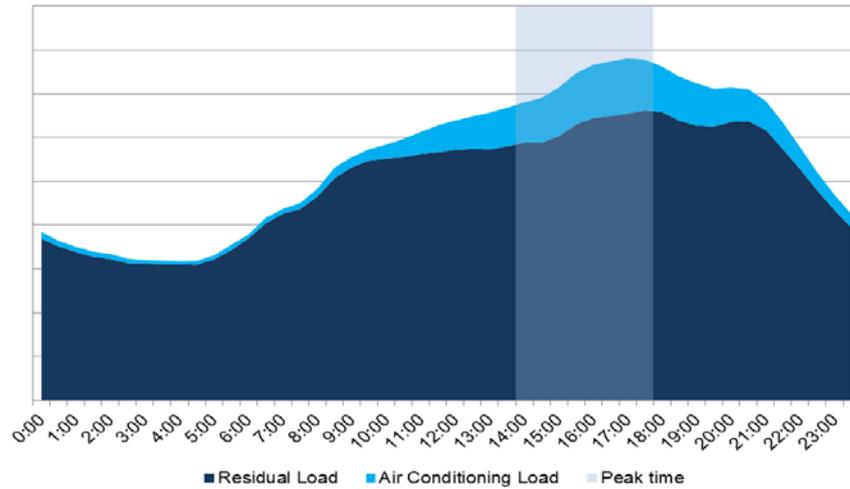
We're all paying for air-conditioning, whether we have it or not

Penetration of air conditioners has doubled since 1999, and consumers with air conditioners generally use a higher proportion of their total energy usage during peak times than other consumers. This is because air conditioners represent a large residential load and many consumers switch their air conditioning on at the same time. These consumers therefore typically cause a higher cost on the network relative to their total usage.

NERA used Victoria for the case study, because it is prone to heat waves in summer. A load profile was created using a sample of electricity consumers to estimate the extra network use that would be caused by purchasing and using an air-conditioner.

Under the current flat network prices consumer choices are distorted by price signals that don't reflect the costs or benefits of decisions on consumption or about which technologies to invest in.

Figure 1: Air-conditioner load – Victorian sample

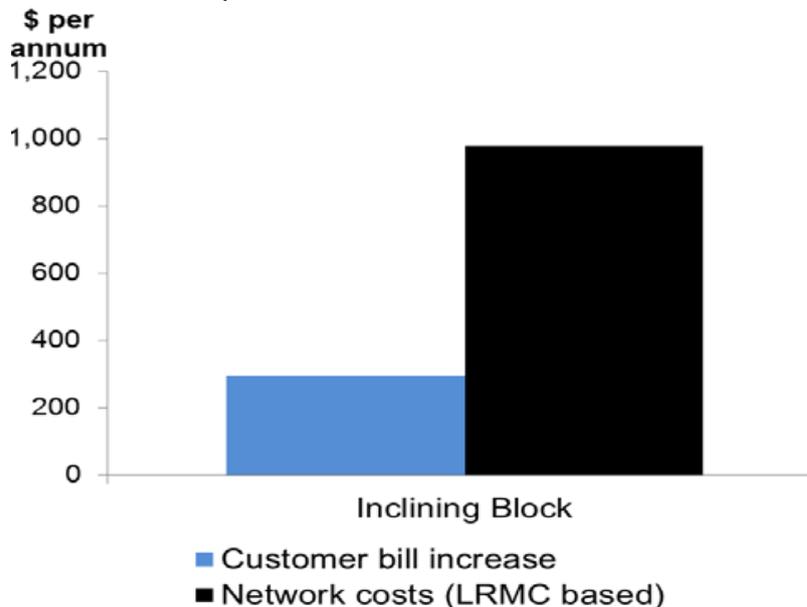


Source: NERA, *Efficiency of Tariffs for Current and Emerging Technologies, A Report for the AEMC*, 21 July 2014, p.13.

The analysis estimated the extra network costs that are caused by a consumer with a large 5 kilowatt (kW) air-conditioner, compared with a similar consumer without an air-conditioner. The differences in annual network charges that would be paid by these two consumers were also assessed.

Under current network price structures, the consumer with the air-conditioner would pay an extra \$296 per year in network charges compared with a similar consumer without an air-conditioner. But the extra network costs caused by the use of the air-conditioner at peak times would be \$979 a year. The difference of \$683 is a cross subsidy between consumers with and without air-conditioners. This subsidy is recovered by all other consumers paying higher network prices.

Figure 2: Air-conditioner impacts on network costs and consumers' bills under current network price structures

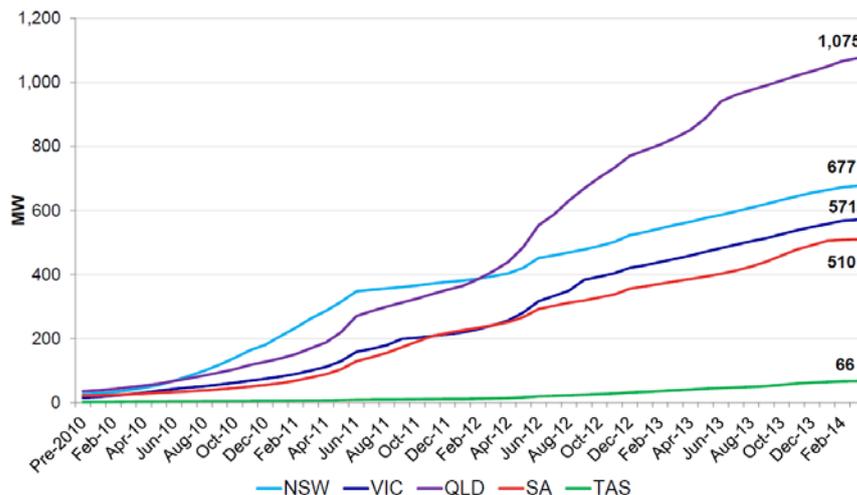


Source: NERA, *Efficiency of Tariffs for Current and Emerging Technologies, A Report for the AEMC*, 21 July 2014, p.20.

Australia is on the verge of a consumer-driven transformation of national energy markets and we need to prepare for a very different future.

The impact of solar PV on our electricity bills

Figure 3: Solar PV capacity - a 24 fold increase over the past four years.



Source: NERA, *Efficiency of Tariffs for Current and Emerging Technologies, A Report for the AEMC, 21 July 2014, p.4.*

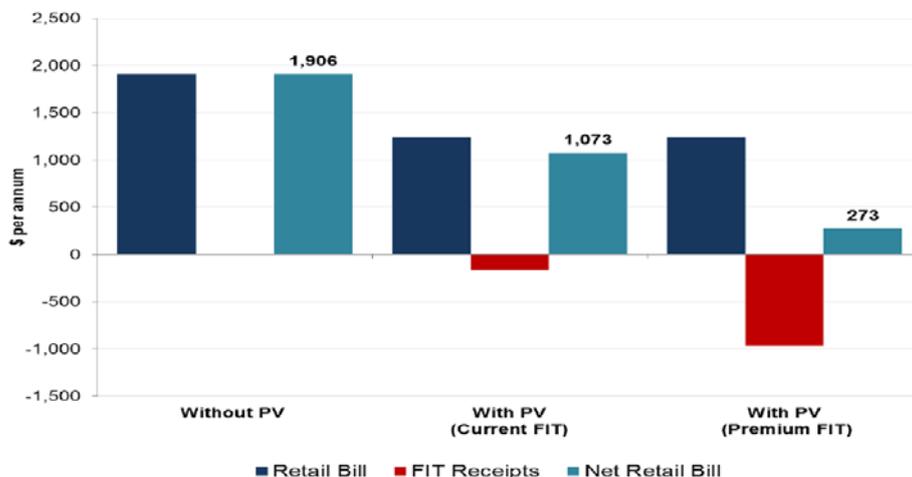
Consumers with solar PV installations typically draw less energy from the grid because they consume power from their solar panels during daylight hours. While their total usage is lower, their peak usage is not typically reduced by as high a proportion because peak periods often fall outside of times when the sun is brightest and solar PV generation is high.

Under current network price structures, many consumers with solar panels will pay significantly less than similar consumers without solar panels even though the difference in the network costs that they cause is small.

NERA undertook a case study of a consumer with an average sized solar PV installation (2.5kW) in South Australia. South Australia has the highest penetration of solar PVs in Australia.

A South Australian consumer with a 2.5kW solar PV system receiving the premium feed-in tariff currently pays about \$1,600 a year less than a similar consumer without solar panels.

Figure 4: Illustrative retail bills of residential consumers with and without solar PV panels under current network tariff



Source: NERA, *Efficiency of Tariffs for Current and Emerging Technologies, A Report for the AEMC, 21 July 2014, p.30.*

The AEMC is calling for public submissions on draft rules which will require distribution prices to reflect the way individual consumers use the network.

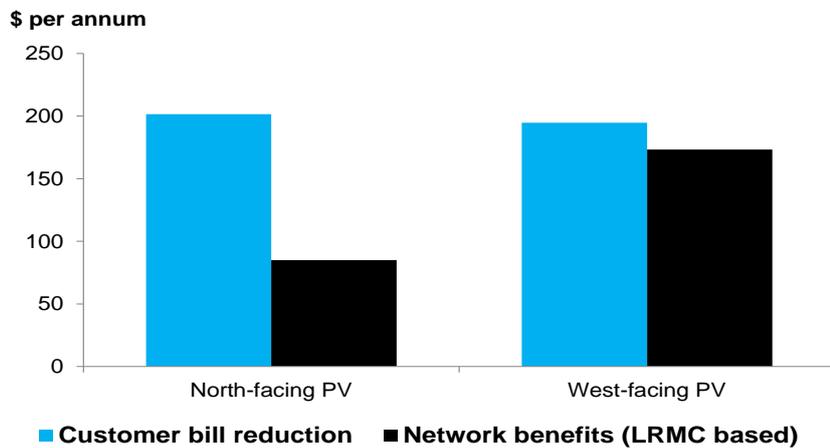
The analysis indicates that if this consumer faces its solar panels north, it saves \$202 a year on its network charges, but the reduction in network costs is only \$85 a year. The difference of \$117 a year is paid by other consumers paying higher network charges.

If this consumer installs west-facing solar panels, the network cost savings are significantly larger than for north-facing panels. Network costs fall by \$173 a year instead of just \$85 a year. This is because west-facing solar panels produce more electricity during the late afternoon peak period. Even though west-facing panels would produce less total energy, they would produce it at times when it was more valuable.

However, currently there is no incentive for consumers to install west-facing solar panels, because north-facing panels produce slightly more total energy and the consumer's bill reduction is higher. This highlights that the current network prices provide inefficient incentives in relation to how to use solar PV.

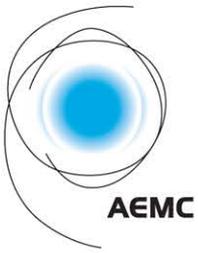
The reduction in network charges paid by this consumer and the reduction in network costs caused by the consumer's solar installation are shown below.

Figure 5: Consumer bill reductions for north-facing PVs exceed the network benefits



Source: NERA, *Efficiency of Tariffs for Current and Emerging Technologies, A Report for the AEMC*, 21 July 2014, p.27.

Ends



Restructured distribution network prices and consumers

Backgrounder

Distribution Network Pricing Arrangements rule change: Draft determination

Restructured prices driven by individual usage patterns

Under the draft rule, distribution businesses will be required to develop network prices that enable consumers to make informed decisions about how they use electricity.

Network businesses' development of price structures will be guided by a new network pricing objective that network prices should reflect the businesses' efficient costs of providing services to each consumer. Network businesses will also need to comply with new pricing principles.

The key factor that will determine how much consumers pay for network services would be their individual usage pattern or load profiles. Consumers who use a lower than average proportion of their energy at peak times are likely to face lower network prices under the draft rule.

Consumers who use proportionately more energy at peak times are likely to face higher prices, although those consumers would also have the greatest potential for future savings if they chose to change how they use energy and move some of their consumption from network peak time to off-peak times.

Most consumers could realise savings under cost reflective pricing

The proposed rule changes are likely to lead to lower electricity prices in two main ways:

- lower charges for those who choose to change how they use energy in response to price signals, eg greater rewards for moving some of their consumption from peak to off-peak times, and
- from the overall lowering of future network costs if some consumers choose to reduce their usage at peak times, which will be passed through to all consumers through lower average future network prices.

Recent research on consumer benefits

The impact the draft rule will have on individual consumers will depend on the types of price structures developed by network businesses. This rule change does not determine a single price structure all networks must adopt. It is important that network businesses can develop structures that best suit the circumstances of their networks and customers.

Potential new price structures could include capacity charges (where a consumer is charged based on its maximum use rather than its total use) or critical peak prices (where a consumer is charged lower prices most of the time and higher prices on a few days a year).

It is likely some consumers will change their energy usage in response to cost reflective network prices.

As a result, a higher proportion of consumers are likely to face lower network prices in the medium to long term.

Case studies undertaken by NERA Economic Consulting for the AEMC estimated up to 81 per cent of consumers would pay lower charges in the long run under a cost reflective capacity price and up to 69 per cent would pay lower charges under a critical peak price.

A recent AGL study¹ estimates that overall 64 per cent of consumers would pay lower charges under AGL's sample cost reflective price structure. The group of consumers that would on average benefit the most are consumers in a hardship program, with 79 per cent of those consumers paying lower charges under cost reflective prices.

Ellipson² concluded that cost reflective critical peak prices and time of use prices would benefit small consumers the most. In its modelling, 52 per cent of small consumers would face lower network charges under a seasonal time of use price and 59 per cent of small consumers were face lower charges on a critical peak price. This analysis does not account for how consumers may change how they use energy in response to these new price structures and the long term savings are likely to be greater.

It is likely that some consumers will change their energy usage in response to cost reflective network prices. As a result, a higher proportion of consumers are likely to face lower network prices in the medium to long term once demand response is included in the analysis.

Recent analysis by the Grattan Institute found that:

"In the short run, capacity tariffs would mean that consumers who are now subsidising others have their electricity bills significantly reduced... Over time, households paying capacity tariffs are likely to become increasingly aware of their maximum energy use and the patterns of energy use that increase their capacity requirements. At least some households will change the behaviour as a result, leading to lower levels of peak demand and lower prices..."³

NERA estimated that as a result of changes in how consumers use energy in response to new network price structures, consumers' average network charges would fall by between \$28 and \$57 a year under the cost-reflective price structures it modelled, with some consumers saving significantly more.

Impact on vulnerable consumers

Some stakeholders expressed concerns during the Commission's consultation process about the potential impacts of cost reflective network prices on vulnerable consumers with lower than average energy use. Some of these concerns arise from a concern that network businesses may restructure their prices to decrease usage charges and increase fixed charges.

Cost reflective network prices do not need to result in higher fixed charges. A report from The Brattle Group⁴ considers five potential price structures that could be used in Australia to design cost reflective network prices in a way that does not involve increases in fixed charges or minimises the impact of any increases in fixed charges.

While we caution against making generalisations about which types of consumers may pay higher or lower network charges under these changes, the analysis from NERA, Brattle and other research shows that many vulnerable consumers would benefit from lower electricity charges under cost reflective network prices.

¹ Simshauser, P., Downer, D., *On the inequity of flat-rate electricity tariffs*, AGL Applied Economic and Policy Research, Working Paper No. 41, June 2014

² Ellipson submission, 21 March 2014, p.32.

³ Wood, T., Carter, L., and Harrison, C., *Fair pricing for power*, Grattan Institute, July 2014.

⁴ 38 Distribution Network Pricing Arrangements.

⁵ The Brattle Group, *Structure of Electricity Distribution Network Tariffs, Recovery of Residual Costs* – prepared for the AEMC, August 2014.

Under our proposals the development of prices by network companies would be guided by a new network pricing objective.

Prices would reflect the efficient costs of providing services to each consumer.

Gradual transition to manage price impacts

The draft rule change proposes new consumer consultation obligations and a new consumer impact principle that networks must comply with when developing their prices. This new principle requires networks to minimise the impact of price changes on consumers, for example by gradually transitioning consumers to cost reflective network prices over several years to minimise sudden price changes.

The Commission also recommends that governments review the structure of their energy concession schemes so that they deliver on their purpose in an efficient and targeted way. This review should occur at the same time as distribution network businesses develop their new cost reflective prices over the next 12-18 months.

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28 August 2014

Proposed changes to distribution network pricing

Draft determination: submissions due 16 October 2014

Currently network prices average out the costs of supplying electricity to consumers. So people who use less at peak times are subsidising those who use more.

The way we pay for power has to keep pace with our modern lifestyle.

If prices reflected how much it costs to use different appliances at different times, consumers would be able to make more informed decisions.

Network charges are around 50% of the average residential bill.

50%

OUR PROPOSALS

We want everyone, from heavy industry to small customers, to be able to make clearly informed decisions about how they use electricity.

Why: Because changing the way networks charge is the best way to reduce the risks involved in trying to guess the pattern of future demand. It means that the right information on costs will be available to help people choose the energy services that are right for them – no matter what the energy supply industry looks like in the future.



More consumer consultation on how network prices are structured



Network prices that reflect each consumer's usage



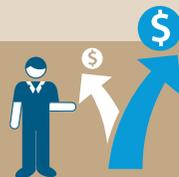
Clear instructions for networks on the requirements to apply when determining how to structure network prices



Earlier notification of network prices to allow retailers and consumers to better prepare for price changes

HOW CONSUMERS WILL BENEFIT

We are setting up the right rules for the future so:



The prices we pay reflect the decisions we make



Everyone can make informed decisions on how and when they use electricity as new technologies evolve



POWER OF CHOICE

These proposals are part of the AEMC's overall Power of Choice program to give customers better information about how they use energy and how different choices might help reduce power costs. Under these draft rules people would pay according to how much electricity they use – and when – reflecting the different costs of supplying electricity at different times.



Poles and wires reform



THE ENERGY LANDSCAPE IS CHANGING

Our work is preparing energy markets for consumer-driven transformation

Structural and technological change means we need resilient and adaptive frameworks to face the future.

Consumers, energy companies and investors must have confidence that energy market frameworks will evolve appropriately.



Energy is an input to almost every product and service. There is a strong link between the performance of the energy market and the productivity of the broader economy.



The gas market is adjusting to an historic structural shift in natural gas supply and demand, following the establishment of the east coast liquefied natural gas export industry.

A sound environment for investment is important to attract capital for existing participants and new infrastructure.

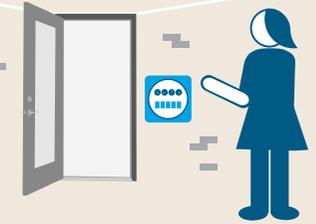


Integrated policy outcomes are most likely when all affected parties are consulted and decisions are transparent.



CHOICES FOR PEOPLE

The choices people make about how they use energy drives investment in, and development of, the sector.



POSSIBLE SERVICES

Access to detailed consumption data



Weekly power bills on smartphones



Off peak charging of electric vehicle



Time of use pricing options



Battery storage



On and off-grid options for local generation



Switch retailers faster

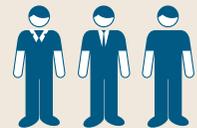


Price-sensitive, remotely controlled appliances



COMPETITIVE SUPPLIERS

Offering new energy products and services



NEW TECHNOLOGY

This will enable more efficient operation and management of networks.



POWER OF CHOICE

We are making new rules to implement our Power of Choice reforms. This work is developing the energy market to meet consumer needs over the next 15-20 years in three key areas:



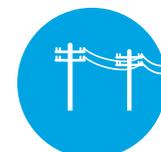
Consumer information

so people can choose the products and services that are right for them.



Tech-savvy innovations

so the market can open up to new metering and technology options.



Poles and wires reform

so networks provide cost reflective prices which consumers can use to make decisions about how they consume energy.