

# NEW ENERGY

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Energy in  
action.®

Since 1837

AGL

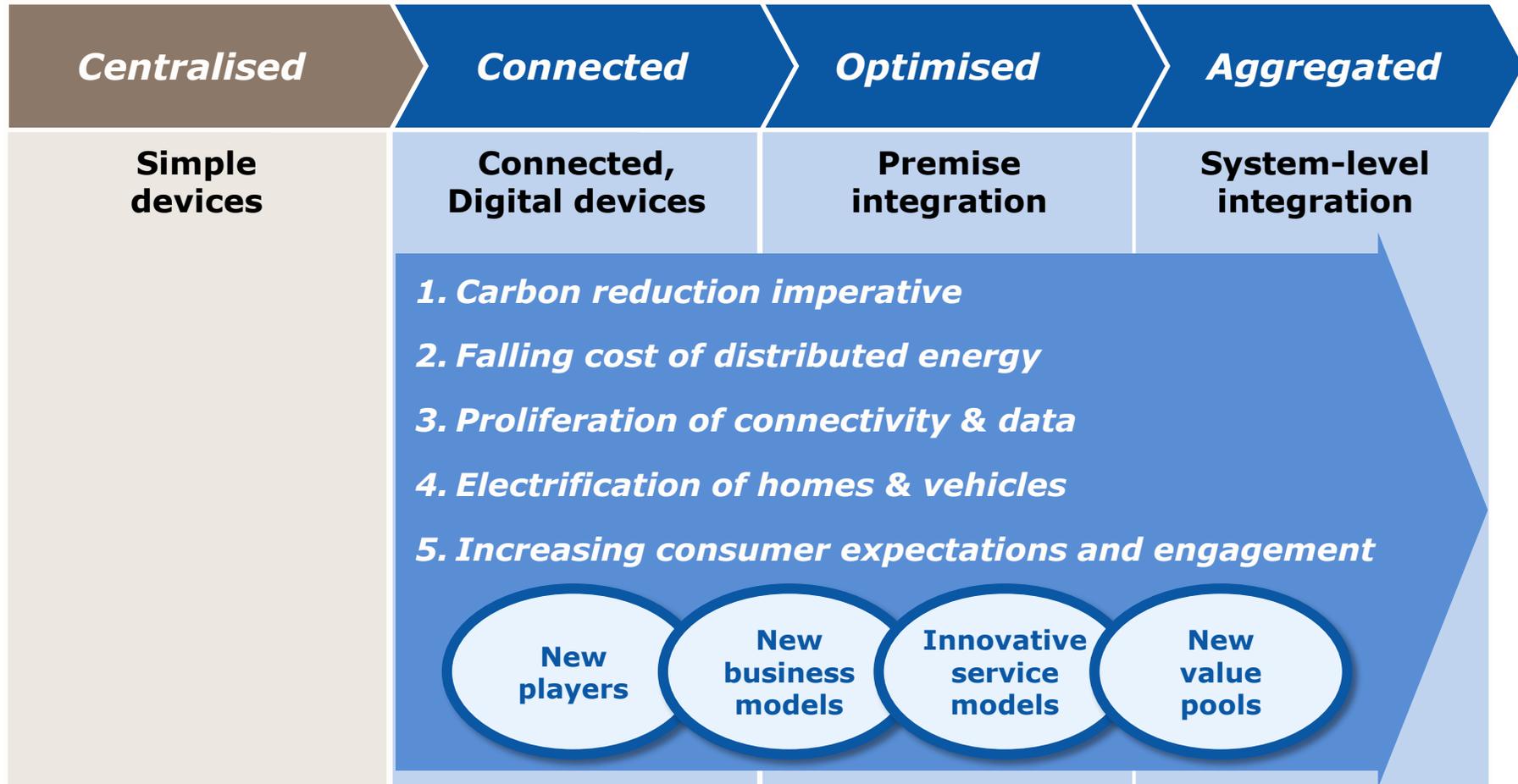


# Moving from disruption to transformation.

- > This industry is changing, driven by multiple disruptive forces
- > Disruption to date, has largely been good for consumers
- > Transforming without adverse consumer impacts should be a priority
- > Transform to support competition, innovation and Australian leadership
- > Regulatory settings need to be agreed early, including:
  1. Appropriate technology standards
  2. Competitive neutrality
  3. Ring fencing of monopoly businesses
  4. Cost reflective network tariffs
- > By not managing the transition well, we risk losing the opportunity to transform the industry in a way that brings consumers with us

# The global energy industry is changing.

Driven by multiple disruptive forces.



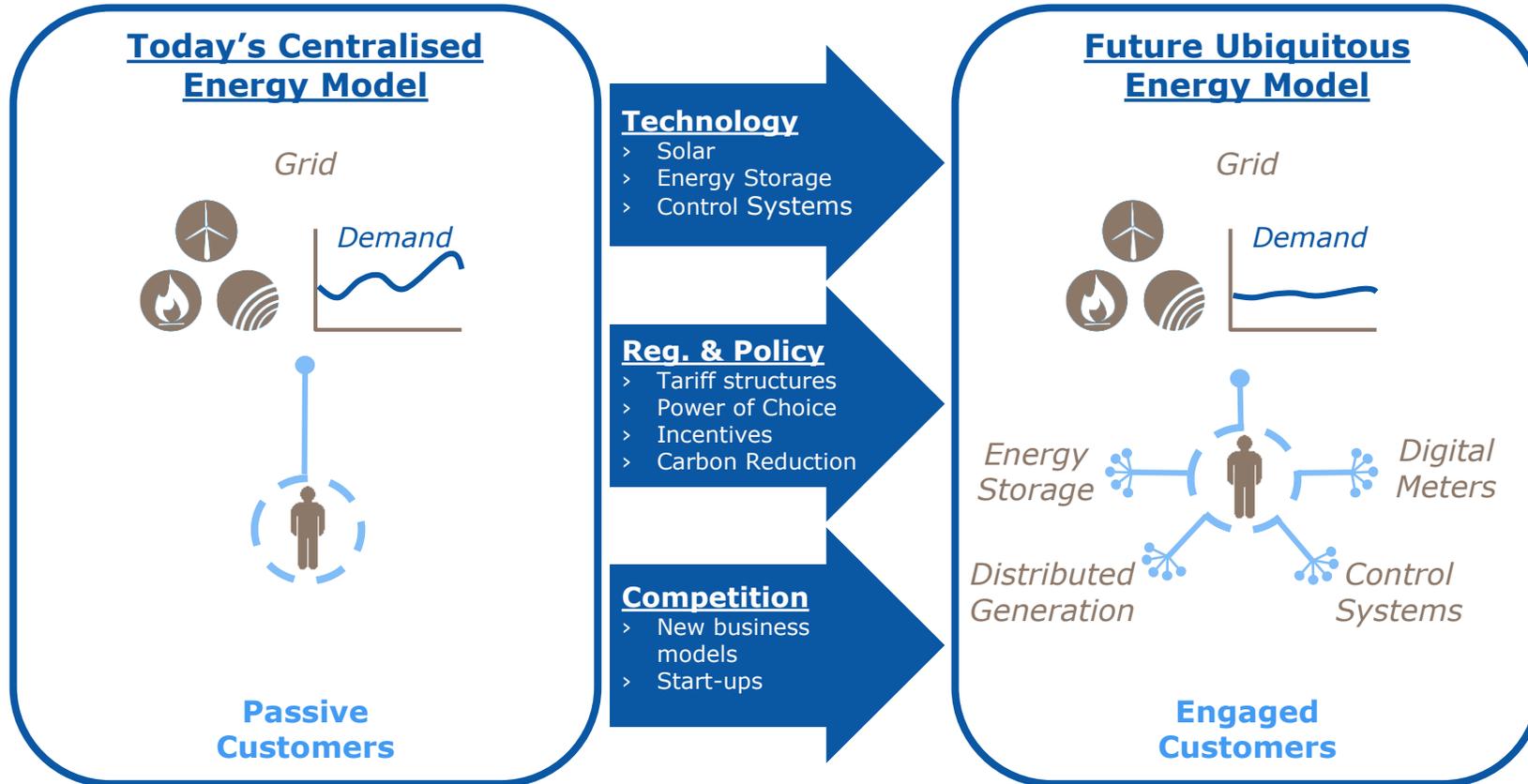
> Customer driven transformation

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# Change driven by positive disruption.

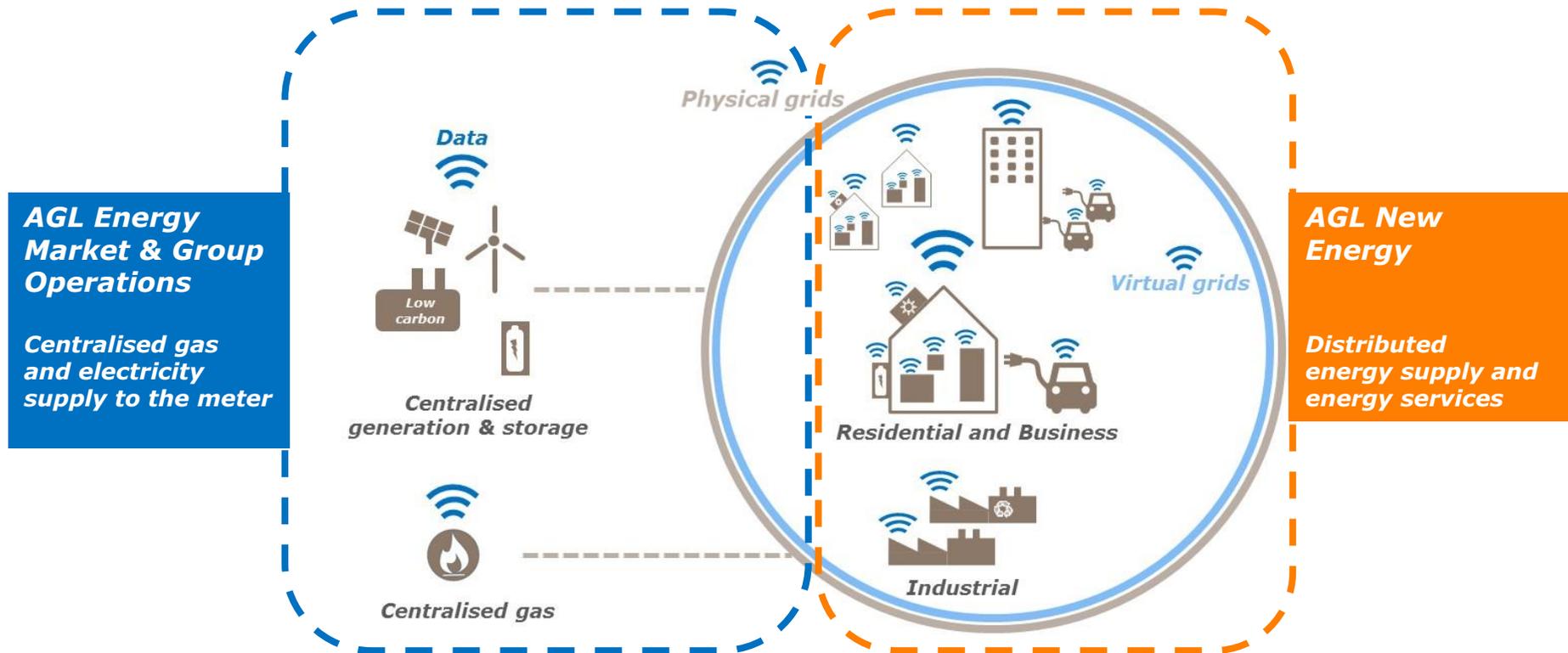
Disruption from three directions has largely been good for consumers.



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# New Energy business group role.

Playing key role in the transformation to a customer-driven energy market.



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# New Energy products.

Focusing on comfort, convenience and control for our customers.

**NEW ENERGY**

*Create 1 million smart connections across homes and businesses by 2020*

**Become preeminent customer choice for Competitive and Connected energy products and services that provide Convenience, Comfort and Control**

**Large Commercial  
Distributed Heat & Power**

**Small Commercial  
Distributed Heat & Power**

**Commercial  
Service & Repair**

**Transport LNG & CNG**

**Embedded Networks**

**Demand Response**

**Digital Metering**

**Distributed Generation**

**Energy Storage**

**Electric Vehicle Services**

**Home Energy Management**

**Emerging Technologies**

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# Regulatory settings required early.

Policies that advocate the consumer and avoid bad disruption.

1

## Appropriate Technology Standards

- **Standards which promote:**
  1. customer choice
  2. enhance safety
  3. do not limit investment
  4. minimise overheads
- **Standards should remain agnostic of current and future regulation.**
- **Where possible based on international standards.**

2

## Competitive Neutrality

- Different providers of products and services, in markets, must compete openly on their merits. In particular:**
- There can not be implicit or explicit advantages over each other.
  - There can not be different regulations for new entrants vs. incumbents.
  - There must be sensible customer protection requirements applied to all parties equally.

3

## Ring Fencing Monopoly Businesses

- Monopoly businesses should not be allowed to use their regulated funds in contestable markets.**
- Ring fencing should incorporate legal and financial structures.
  - Data and information should not be used for competitive advantage.
  - Resources should not be shared.
  - This should not preclude them from competing though.

4

## Cost reflective Network tariffs

- Cost reflective Network tariffs encourage more efficient energy use and reduce cross subsidies between customers.**
- Demand tariffs should not create barriers to the up-take of distributed energy solutions by customer.

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