

# ENA UPDATE

## CEO UPDATE

**The forthcoming Australian Government Energy White Paper provides a critical opportunity to reset our focus in energy reform in Australia.**

The ENA has urged the Federal Government to make *electricity pricing reform* and *a level playing field for gas* its key priorities in the forthcoming Energy White Paper.

Electricity pricing reform clearly represents the 'main game' when policy makers are focussed on providing long-term benefits to consumers and its time to provide a clearer roadmap.

As major reinvestment programs are completed and network businesses innovate to find efficiencies, we are seeing cost pressures on electricity prices declining. However, Australian electricity consumers still face tariff structures that are unsustainable and unfair – locking in cross subsidies between consumers.

The ENA has called for a *National Implementation Framework for Flexible Pricing* which would achieve a phased transition to the introduction of cost-reflective pricing, based on defined consumption thresholds and customer initiated trigger events (such as the connection of solar photovoltaic (PV), battery storage and electric vehicles and connections to new premises).

It's time to reorganise the pricing reform agenda more clearly. For instance, while efforts to support distribution pricing reform through rule changes are

welcome, there needs to be greater recognition that three quarters of Australians consumers don't have access to the advanced meters needed for smarter pricing.

The ENA has urged the Federal Government to pursue an integrated approach – removing barriers to networks rolling out advanced meters; completing overdue retail price deregulation; informing consumers about better price options; and improving customer hardship programs.

Energy Ministers (the Standing Council on Energy and Resources) must also play a crucial role in revitalising the agenda. The ENA has recommended closer oversight to 'mark the homework' of jurisdictions on energy reform and ensure better coordination and sequencing, and for SCER to consider convening more frequent meetings, with a more transparent agenda. In that context, Minister Macfarlane's decision to engage peak industry and consumer groups with Ministers at the SCER meeting is a welcome initiative.

The ENA submission on the *Energy White Paper Issues Paper* also focussed on distortions the Small Scale Renewable Energy Technology Scheme is causing in the hot water appliance sector. The scheme increases electricity prices and puts gas hot water systems on an unequal footing in competitive markets.

Gas hot water systems which provide significant emission reductions are competing against

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subsidised heat pumps and solar hot water systems in distorted appliance markets.

To reduce pressure on electricity prices, we should stop subsidising technologies that don't need it. Residential PV technology is now well established and is forecast to undergo significant growth without further subsidies.

The ENA is also concerned about the impact of wholesale gas price volatility on domestic gas consumers and their capacity to manage the transition.

The **ENA submission** recognises today's electricity grid is much more than poles and wires...

While direct government intervention in markets should not occur unless justified, the Energy White Paper should evaluate the role of a National Interest Test on future large-scale export gas developments, as has been adopted in other international jurisdictions.

The ENA submission recognises today's electricity grid is much more than poles and wires, as demonstrated in the sustained heat wave experienced this summer.

As we saw during recent heatwaves events in Victoria and South Australia:

- » Smarter Price structures are crucial to reward customers who reduce demand and save money;
- » Advanced meters inform network operators about pressure points, enabling faster responses;
- » Network businesses are already relying on distributed generation to play a key in supporting peak demand response;
- » Recent investment in network infrastructure is designed to meet the extreme peaks;
- » Australia's domestic gas network plays a vital role in supporting the generation response during peak events.

The Energy White Paper is an opportunity to present a coherent national energy agenda that takes into the account the changes that are already taking place in the energy system and to map a path for the future.

**John Bradley**  
Chief Executive Officer

## INDUSTRY NEWS

### ANTHONY ENGLUND AWARDED ENERGY NETWORKS ASSOCIATION INDUSTRY CONTRIBUTION AWARD.

The *Energy Networks Association Industry Contribution award* is presented to an individual who has made an exceptional contribution as a member of an ENA committee, and whose activities have been to the benefit of the energy networks sector.

The 2013 award was presented at the ENA Annual Dinner in November 2013 to Anthony Englund of Transgrid.

During 2013, Anthony Englund accepted responsibility as Project Leader for the Rate of Return working group and its associated work streams and was appointed to the 'Better Regulation' Steering Committee.



Mr Englund successfully oversaw of the development of a robust, comprehensive, and rigorous submissions to the AER as part of its consultation process, providing intellectual and financial leadership on a process that has significant implications for the energy network sector and the long-term interests of consumers.

In presenting the award incoming ENA Chairman, Paul Adams, noted that the scale of the parallel reform processes over a number of years had been very demanding and Anthony's leadership of this critical work program for the network industry had been exceptional.

### **ROAMES FLIES HIGH TO MAP ERGON'S NETWORK**

Aerial mapping of Ergon Energy's vast regional Queensland network using state of the art technology will transform its asset and disaster management capability. The ROAMES (Remote Observation Automated Modeling Economic Simulation) is using two specially modified Cessna aircraft fitted with laser scanners and digital cameras to map, photograph and inspect Ergon's 150,000 km network of powerlines.

The planes will fly over 600 communities and towns in regional Queensland every twelve months. Planes will fly at 500 metres or higher and may pass over properties several times as it maps the local network.

Using the ROAMES data, Ergon expects to save up to \$59 million over the next five years and ultimately improve power supply reliability and community safety in regional Queensland.

ROAMES will not only reduce costs in keeping vegetation away from powerlines and change the way Ergon manages its assets, but save the company millions of dollars and improve its disaster response.

Ergon will be able to use simulations to assist every area of planning, whether for a natural disaster or to forecast growth rates of a particular area and has already been successfully trialled in disaster response this year. It was used in the aftermath of the Tasmanian bushfires where ROAMES successfully and expediently identified damaged sections of the local utility's network and this capability will enable faster disaster response planning and power restoration.

#### **For more information**

[CLICK HERE](#)

### **TRANSGRID AND ENERNOG RECOGNISED AS LEADERS IN DEMAND RESPONSE ENERGY INITIATIVES**

TransGrid has claimed the top award in the Best Demand Response category of the Energy Efficiency Council Awards.

TransGrid and EnerNOC combined forces last summer to

deliver a demand management project involving more than 80 sites across metropolitan Sydney. This collaboration was responsible for identifying a reduction of about 600kW per site and subsequently the possible reduction of peak demand for the summer of 2012/13 by a total of 48MW, which represents almost 150% of targeted savings.

TransGrid has spent almost \$6.5 million on demand management research since 2009 and more than \$20 million on demand response projects. The program dates back to 2006.

[www.transgrid.com.au](http://www.transgrid.com.au)

### **CITIPOWER AND POWERCOR TALKING ELECTRICITY**

CitiPower and Powercor Australia have launched **Talking Electricity**, a dedicated customer and stakeholder engagement website. The website will be a key channel and one-stop-shop for keeping customers updated, informed and aware of opportunities to participate in the organisation's engagement activities, as it develops its 2016-2020 business plans and regulatory proposals.

Over the next 12 months customers and stakeholders will be invited to participate in a number of activities, including regional engagement forums, asset tours, surveys and focus groups. The Talking Electricity website will support



**Understanding**  
customers' views and  
desired outcomes is  
vital for this critical  
business planning  
process...

all of CitiPower and Powercor's engagement activities, ensuring customers and stakeholders have a dedicated channel to stay informed and the ability to provide insights to help shape their directions and priorities.

As a regulated utility, CitiPower and Powercor Australia's prices are approved by the Australian Energy Regulator (AER). Every five years the organisation needs to provide proposals to the AER which detail its forecast work programs and revenue requirements. The AER then assesses its proposals and makes a decision on the revenues or prices it can earn or charge during that five year period.

Understanding customers' views and desired outcomes is vital for this critical business planning process and the development of the organisation's regulatory proposals.

For more information, people can visit [www.talkingelectricity.com.au](http://www.talkingelectricity.com.au)

## **WESTERN POWER REDUCES COSTS BY \$25.5 MILLION**

Western Power's **Annual Report** reveals the utility reduced operating costs by \$25.5 million in the 2012/13 Financial Year.

Chief Executive Officer Paul Italiano said the efficiencies were realised as the utility delivered a record number of wood pole replacements and reinforcements.

"Western Power invested more than \$1 billion in the network to address historical underinvestment in maintenance. We not only exceeded our targets, we delivered our works program at an overall lower cost" he said.

Wood pole replacements increased by 12 per cent to 17,432 over the past year, while wood pole reinforcements surged 96 per cent to a total of 48,479. Western Power has more than 650,000 wood poles in its network, which presents a logistical challenge given the network is spread over a geographical area the size of the United Kingdom.

"We are now firmly on the path to improvement. Western Power now has a greater focus on our customers and we have implemented reforms to the business to provide a better service at the lowest possible cost" Mr Italiano said.

Western Power has more than one million customers and operates one of the largest isolated electricity networks in the world.

**For more information**

[CLICK HERE](#)

## **AEMC PUBLICATION OF 2013 RESIDENTIAL ELECTRICITY PRICE TRENDS REPORT**

The Australian Energy Market Commission has released its report on factors driving residential electricity prices over the next three years to 2015/16.

The report analyses trends in the competitive market sectors of the industry; the regulated networks sector; and resulting from government environmental policies in each state and territory.

AEMC Chairman, John Pierce, said the review's consolidated results provided a national picture showing that average annual electricity prices can be expected to moderate over the next three years.

"Nationally we see falling pressure on prices coming from two areas—stabilising regulated network costs and changes in carbon pricing costs," Mr Pierce said.

"Overall the national average annual increase will be lower than expected level of inflation at 1.2% a year from 2012/13 to 2015/16.

"States and territories will see different price trends due to local conditions and varying government policies including the ongoing costs of closed premium solar bonus schemes," Mr Pierce said.

The AEMC 2013 Price Trends Report includes details on each state and territory. Individual jurisdictions show different price trends depending on population spread and density, climate, consumption choices, tariff structure, and government policies.

**For more information**

[CLICK HERE](#)

## CSIRO REPORT ADDS MUCH-NEEDED RIGOUR TO THE ENERGY DEBATE

With so many commentators claiming Australia's electricity industry is a 'dinosaur' confronting a 'death spiral', the recent CSIRO Future Grid Forum report may have had a few surprises to offer readers.

Based on 18 months of comprehensive modelling, overseen by diverse stakeholders, the Forum report analyses four scenarios for the electricity supply system until 2050. While there is a lot of uncertainty about the timing and nature of the 'mega-shifts' identified in the report, it highlights the potential for different profiles of energy consumption, onsite generation, renewable energy output and network service delivery.

For electricity networks, the report provides important insights which often get little airplay in public debate about the future of the electricity industry:

The 'mega-shifts' identified in the report are ultimately opportunities – not threats – to better service delivery by Australia's energy networks. Embedded generation and battery storage provide options to improve grid service delivery as much as they may allow customers to disconnect. Battery storage is already being trialled in Australian distribution networks and, the report estimates, peak demand management can lower distribution costs for customers by 2c/kWh by 2020 or over \$130 a year.

The Grid continues to be highly competitive in providing efficient, reliable and safe supply. The most centralised scenario requires the lowest capital and operating expenditure of all four scenarios and is about \$200 billion (or four NBNs!) less than the scenario where one-third of customers disconnect. The "Rise of the Prosumer" scenario suggests the biggest risk to annual electricity bills for residential customers is irrational overinvestment in onsite generation. In this scenario, which has the highest level of onsite generation (45%), residential bills are about \$600 per annum (or 30%) higher by 2050 than the other three scenarios.

An efficient electricity grid will remain central to energy users. Although the proportion of electricity supplied by the grid will fall as embedded generation, demand management and storage play a greater role, in all four scenarios the grid remains the primary supply. Even in the high disconnection scenario, the Grid is projected to meet 70% of supply until 2050 and the network infrastructure required to support customers is about the same as the other four scenarios.

Given a central grid remains essential, consumers have an interest in a stable investment environment. All four scenarios require network investment of at least \$300 billion by 2050 (or three times the current asset

base), even where high levels of embedded generation and some customer disconnection eventuates. To achieve least cost outcomes for customers, it is critical this investment occurs in an environment which minimises regulatory risk to network investors in long-life infrastructure. Today, if network investors required the same risk premium as the electricity generation sector, the cost of finance would be about \$2.8 billion higher over a 5 year regulatory period - a hit of at least \$60 per year to household electricity bills.

It comes as no shock that dynamic changes in customer demand, technology and markets are going to have transformational consequences for network service delivery. After all, the key megashifts in the Future Grid Forum Report are extensions of current innovation in advanced metering, embedded generation and storage trials underway now within our Australian electricity networks today.

For the **ENA Background Briefing paper *The Future of Energy Networks***

[CLICK HERE](#)

For the **Future Grid Forum report**

[CLICK HERE](#)

## BETTER REGULATION GUIDELINES FINALISED

After a twelve month process, the AER has now released all six Better Regulation guidelines which are designed to set out the AER's approach to regulation under the AEMC rule change determination finalised in November 2012. They cover how the AER will assess expenditure proposals, calculate the allowed return on assets, allocate costs, and engage with consumers.

The ENA, consumer groups and other stakeholders have engaged with the AER in a number of meetings and workshops over the duration of the process. The Better Regulation consultation process has the potential to deliver a stronger regulatory framework for all stakeholders and the ENA is of the view that the new Guidelines will benefit consumers by providing more clarity from the Australian Energy Regulator (AER) about its processes.

Throughout the course of the process the industry had urged the AER to provide clearer, more predictable guidance on expenditure benchmarking and forecasting.

Energy networks will be concerned to see how new guidelines for benchmarking efficiency are used by the AER, which previously argued it did not have sufficient powers to use benchmarking.

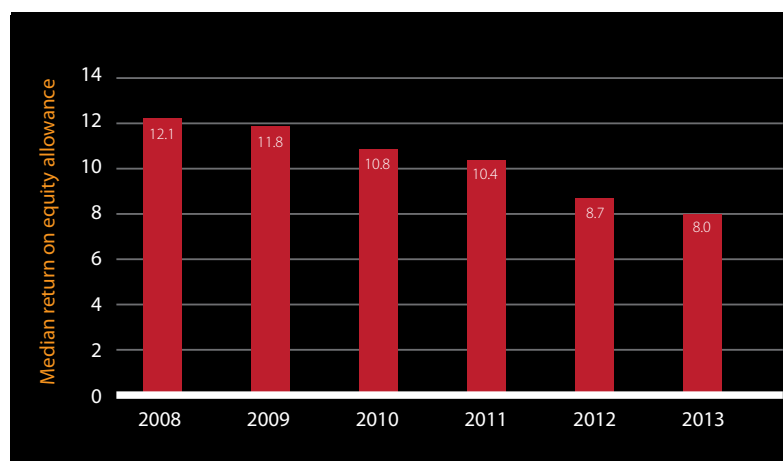
It will be vital that the AER takes a prudent approach to interpreting benchmark data, given the significant differences in cost drivers driven by different network circumstances, including climate, location and customer density for instance. The first Annual Benchmarking Report is scheduled to be published by the AER on 30 September 2014.

In its final guideline released on the 17<sup>th</sup> December, the AER set out its *approach to* estimating rates of return for energy infrastructure.

The ENA welcomed some aspects of the AER Rate of Return guideline, such as retaining a 10 year term of debt and further guidance on some issues.

Disappointingly the guideline unrealistically assumes risk in the network sector is falling at a time when every commentator is discussing the massive upheaval in demand trends, customer energy use and technology connecting to networks.

The AER guideline cuts the current risk premium - suggesting the investment risk profile for the network sector is lower than it was five years ago. This is out of step with every other examination of the energy network sector suggesting that new technology, new markets, and shifting demand are changing the natural risk profile of these businesses.



### Trends in AER rate of return decisions

Notes: Average return on equity allowances have fallen steadily since the start of the Global Financial Crisis. AER's adoption of an equity beta of 0.7 represents a further downward pressure on return on equity allowances

The bar chart:

- » represents the median return on equity estimate made by the AER for 29 energy infrastructure determinations made over the period
- » this sample covers the initial round of AER network and pipeline decisions made under the Electricity and Gas Rules, prior to the new rate of return rule changes.

Source: ENA analysis, AER regulatory determinations 2008-13.

## CO-ORDINATION OF ADVANCED METERING POLICY CRITICAL

In the final months of 2013, a number of key activities progressed in relation to the deployment of advanced metering infrastructure in Australia. These activities are just part of a broader range of processes that will be pursued in the coming months on advanced metering infrastructure.

ENA is concerned that a range of inter-related processes that have developed from the AEMC's *Power of Choice* review are being pursued in separate processes independent of each other. These include processes on pricing principles, access and communication standards, demand response mechanism, metering contestability, third party roles and access to information. It is ENA's view that the coordination and integration of these processes will be critical for the future operation of the energy system.

The benefits of advanced metering infrastructure are there to be shared. However, for the full benefit of advanced metering to be realised, there will be a need to foster network-level outcomes which are important to customers. This includes greater access to power quality and outage information; and improved outcomes for reliability of supply.

Networks have already invested to varying degrees in advanced meters and associated telecommunications infrastructure, in line with prevailing policy directions at the time and with the endorsement of the regulator.

## VICTORIAN ADVANCED METERING INFRASTRUCTURE (AMI) DEROGATION

On 28 November 2013, the Australian Energy Market Commission (AEMC) released their final determination in response to the request by the Victorian Government to extend the AMI derogation. The AEMC determined that the derogation enabling the Victorian distribution businesses to be exclusively responsible for rolling out smart meters should be extended to the end of 2016. The Commission considered that making the rule to extend the derogation would be in the long term interest of consumers because:

- » It is uncertain whether existing systems and processes would be able to accommodate retailers becoming responsible for small business customer metering sites where AMI has been installed, which might limit consumer benefits from the existing investment and would create costs and additional risks.
- » There is not currently a clear and viable framework for commercial contestability in AMI metering and related services that would apply in Victoria.
- » The incremental benefits of allowing retailers to provide small customer metering services in Victoria are likely to be low over the period until a national framework for competition in metering and related services is established
- » The costs of establishing a Victorian-specific framework for commercial contestability are likely to outweigh the incremental benefits of doing so.

ENA strongly supported the extension of the Victorian AMI derogation and welcomed the determination by the AEMC.

**Full details on the decision are available here**

[CLICK HERE](#)



In considering the agenda of different agencies ENA has indicated that our network businesses support a metering framework which:

- » Maintains current metering-enabled services and efficiently leverages existing investments;
- » Enables a transition to cost-reflective network tariffs as quickly as practicable;
- » Benefits customers through economic achievement of future network operational benefits;
- » Enables a competitive, open and fair market for demand-side services; and

Facilitates broader adoption of smart meters nationally while minimising cross-subsidies and any associated price impact on consumers

Network functions, which provide whole of system benefits, can generally be added at a relatively low cost into the meter if incorporated at the design stage, but will be more expensive if they must be augmented later or provided through a duplicate meter, as has occurred in New Zealand.

Given the significance of network infrastructure costs, potential efficiency benefits (such as network tariff reform) can be up to double the value of those realised from retailer/energy services. Advanced metering enables more effective demand management and network utilisation programs if Distributors are able to utilise advanced metering installations in a regulated environment.

## **AEMC REVIEW OF OPEN ACCESS AND COMMON COMMUNICATION STANDARDS**

AEMC commenced its review of open access and common communication standards in July 2013. The draft report was released on 19 December 2013 (with submissions due 30 January) and the final report is expected at end March 2014.

The scope of this review includes considering:

- » the arrangements or rules for open access to the smart meter communication network, which includes the relevant security arrangements and appropriate accreditation requirements;
- » an appropriate framework for adopting or developing common smart meter communication standards, including consideration of any relevant international developments; and
- » the regulation of DSP energy services enabled by smart meters to allow the provision of these services to be contestable.

The AEMC established an advisory stakeholder working group for consultation throughout this review, with representation from government, market bodies, businesses and end use consumers.

ENA is represented on the advisory stakeholder working group and has consulted widely with membership to support practicable outcomes from this process.

**For more information**

[CLICK HERE](#)

## **RULE CHANGE ON CONTESTABILITY IN METERING**

The Standing Council on Energy and Resources (SCER) has also released its terms of reference for AEMC to undertake a rule change process for increased competition in metering and related services. It is expected that AEMC will initiate action on this rule change in late February/early March 2014.



## NETWORK TARIFF REFORM

Key trends in technology and consumer choices have the potential to result in very different profiles of energy consumption, onsite generation, renewable energy output and network service delivery. These mega-shifts that are transforming Australia's electricity supply system make network tariff reform essential, to ensure that network charges are fair, sustainable and reward customers for efficient choices.

At government level there is recognition of the need for network tariff reform to bring about more cost-reflective pricing, i.e. where network charges more closely reflect the actual costs of supply. In September 2013 the *Standing Council of Energy and Resources* (SCER) initiated a rule change through the Australian Energy Market Commission, to change the distribution pricing principles. At the following meeting, in December 2013, SCER agreed to consider the impact of market developments, especially declining demand, on network tariffs and investigate possible measures to address these impacts at its first ministerial meeting in 2014. The need to address network tariff reform has also been raised in the Australian Government's Issues Paper on the Energy White Paper.

The ENA made a submission to the AEMC Distribution Network Pricing Arrangement Rule Change on 19 December 2013, in which we made a number of key points.

1. ENA supports the Rule change as an opportunity to advance cost-reflective network pricing, subject to our concerns with practicability and compliance risk being addressed.
2. ENA does not support a prescriptive approach that mandates that distribution network prices be set on the basis of long-run marginal cost (LRMC).
3. The practical application of LRMC should be confronted in both the Rule change and the AEMC's supporting analysis including: constraints on locational pricing; the relative significance of residual costs; and the discretion of DNSPs to take into account customer impacts.
4. Any Rule change must be implemented as part of an integrated suite of cost-reflective distribution network pricing reforms.

ENA has written to advise SCER Ministers that there is a need for a broader suite of complementary pricing reforms rather than addressing changes to the distribution pricing principles in isolation. We proposed the following five measures for SCER's consideration:

1. A regulatory framework for advanced metering which supports consumers to respond to cost-reflective

pricing; that enables the benefits of distribution network derived benefits being passed on to consumers; and removes restrictions on the roll out of advanced meters by networks on an economic basis.

2. A joint initiative between electricity networks, retailers and governments to inform and educate customers on the implementation of cost-reflective pricing and choices for customers.
3. A National Implementation Framework for Flexible Pricing that achieves a phased transition to the introduction of cost-reflective pricing, based on defined consumption thresholds and customer initiated trigger events (such as the connection of solar PV, battery storage and electric vehicles and connections to new premises).
4. The review and refocussing of customer hardship programs to support the introduction of sustainable cost-reflective pricing.
5. The implementation of long-standing Council of Australian Governments (COAG) commitments to deregulate retail prices in all jurisdictions, where markets are sufficiently competitive.

For a copy of the ENA Submission to *AEMC Consultation Paper - National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014*

[CLICK HERE](#)

## LOAD PROFILE (ZONE SUBSTATION) DATA

A recent draft rule determination the Australian Energy Market Commission (AEMC) will require distribution networks to publish historical zone substation data as part of their Distribution Annual Planning Report (DAPR) obligations. According to the AEMC the publication of zone substation data will benefit the market as it will “allow interested parties to undertake empirical analysis and prepare forecasts of electricity demand at the sub-regional level”.

The Draft Rule Determination, *National Electricity Amendment (Publication of zone substation data) Rule 2013* was released on 5 December 2013. ENA has proposed that the commencement of the proposed rule, to take effect after the final rule determination, should be from the date of the next DAPR for each network.

The proposed rule will require distribution networks to include in their DAPR a website address where half-hourly load data for all zone substations is available, updated on an annual basis and where available data for each of the preceding ten years.

Zone substation data, where it is collected and recorded, is used by distribution networks for operational purposes and is not publicly available. The relationship between zone substations and transmission, subtransmission and distribution networks is illustrated in

Figure A from the AEMO Report, *Connection Point Forecasting*. Not all zone substations are metered. Where data is recorded and collected the date series may not extend back for ten years or be continuous.

Over the last six months the ENA has worked closely with the National Generators Forum (NGF) as the rule change proponent and the AEMC, to develop a practical and least cost approach to making zone substation data publicly available. The proposed rule will also require that the users of the zone substation data acknowledge the the limitations of the data, and that distribution networks make no warranty or guarantee to the data’s quality or suitability.

In our submission to the AEMC on the Draft Rule Determination, ENA has proposed three additional requirements to make the obligations clear:

1. that the data only be made available by request from a distribution network, and not passed on to third parties;
2. that the limitations of the data are published in any reference material using the data; and
3. distribution networks are not obligated under the proposed rule to provide supplementary information or analysis in addition to the half-hourly zone substation load data.

A copy of the ENA submission is available

[CLICK HERE](#)

FIGURE A TYPICAL HIERARCHY OF DNSP’S ELECTRICITY DISTRIBUTION NETWORK

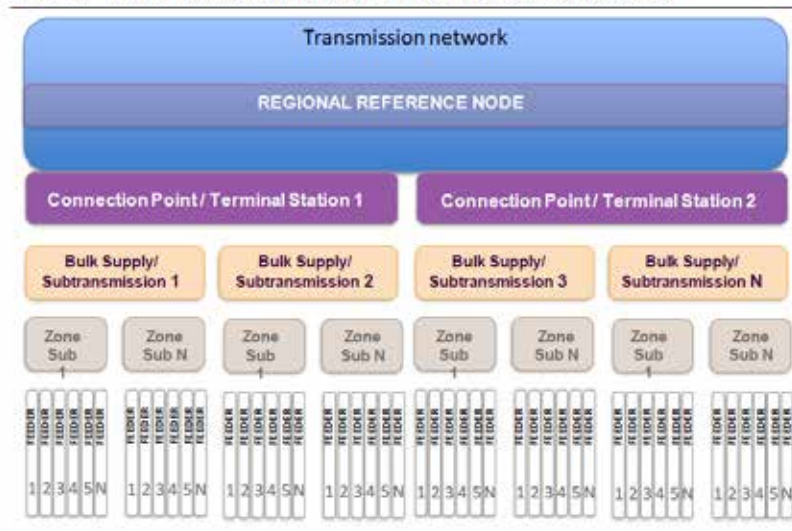


FIGURE A: AEMO Connection Point Forecasting, June 2013, p.viii

## IN BRIEF

### BUSHFIRES AND ENERGY NETWORKS

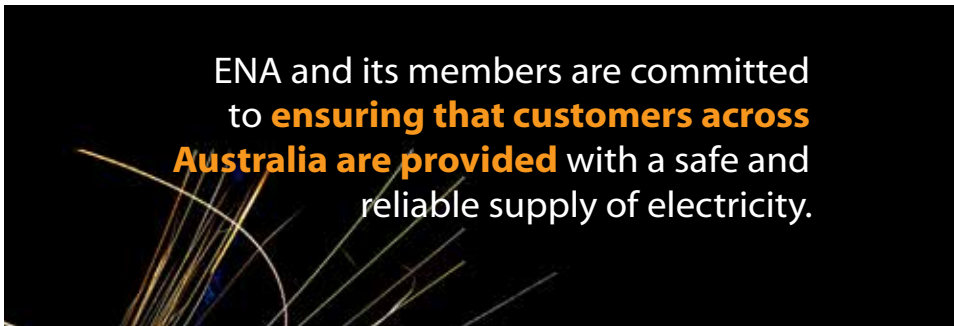
Energy network businesses operate extensive transmission and distribution networks across the country, with a total of over 880,000 km of combined distribution and transmission power lines nationwide, as well as over 7 million power poles. With responsibility for such a huge asset base, energy network businesses are acutely aware of their role in safely and responsibly managing these assets to mitigate the risk of bushfires.

ENA and its members are committed to ensuring that customers across Australia are provided with a safe and reliable supply of electricity. Community safety is of the upmost importance to network businesses, as is the need to strike a balance between the reliability of supply and the cost to customers of delivering electricity services.

ENA has released a new factsheet which provides important information on the issues and challenges for Energy networks in managing bushfire risk, bushfire mitigation strategies, ENA and member initiatives and key contacts to report faults on the electricity network.

**The ENA Factsheet *Bushfires and Energy Networks* is available**

[CLICK HERE](#)



ENA and its members are committed to **ensuring that customers across Australia are provided** with a safe and reliable supply of electricity.

### MEETING OF AUSTRALIAN, STATE AND TERRITORY ENERGY AND RESOURCES MINISTERS (STANDING COUNCIL ON ENERGY & RESOURCES (SCER))

The second SCER meeting for 2013 was held in Sydney on 13 December and discussed a number of policy issues relevant to electricity and gas network businesses.

In particular SCER announced the following:

- » It agreed to an Implementation Plan for the establishment of the national energy consumer advocacy body, to be known as **Energy Consumers Australia** by no later than 1 July 2014.
- » It agreed to undertake a scheduled **review** of the governance of the energy market bodies: the AEMC, the AER and AEMO
- » Support for the proposal for **structural separation** of the AER from the ACCC.
- » Welcomed the AEMC reports on a proposed national framework for **reliability standards** for both distribution and transmission and agreed

to undertake further work on the national framework.

- » Ordered further consultation with stakeholders in 2014 on the proposed changes to the **Enforcement Regime** following the report by Allens and NERA Economic Consulting during 2013.
- » Energy Minister Macfarlane said the Australian Government is delivering on its commitment to work cooperatively with States and Territories especially in relation to the rapid changes underway in the East Coast **gas market**.
- » The deferment of consideration of AEMO's proposed new **demand management** regime and further work on a cost benefit study.

In addition to the meeting of Ministers, a SCER Energy Stakeholder roundtable, including ENA Chair Paul Adams, Envestra CEO Ian Little and ENA CEO John Bradley, took place between Ministers and senior executives after the SCER meeting.

**For the full SCER Communiqué**

[CLICK HERE](#)

## NEW ENA ELECTRIC AND MAGNETIC FIELDS PUBLICATIONS

ENA has recently published two documents that outline some useful facts and information regarding electric and magnetic fields (EMFs), commonly associated with electrically powered devices and electricity networks.

The document *Electric and Magnetic Fields – What we know* is a fact based document designed to provide members of the public and other interested stakeholders with some introductory information and guidance on the science of EMFs. The document also provides information addressing potential health effects, advice from leading health authorities and practical advice on common sources of EMF and what you can do to reduce your exposure.

The ENA document *Smart Meters and possible health effects* provides useful, fact-based information that addresses some of the misconceptions regarding the radio frequency electromagnetic emissions from smart meters and the possible health effects. This document explains how smart meters work, how smart meter radio frequency emissions compare to other common household appliances, what the scientific research shows and where you can go to seek further information.

Both documents are available

[CLICK HERE](#)

## ENERGY WHITE PAPER

On the 5<sup>th</sup> December 2013 the Minister for Industry, The Hon Ian McFarlane announced the terms of reference of the 2014 Energy White Paper.

The White Paper will consider:

- » policy and regulatory reform to secure reliable, competitively and transparently priced energy for a growing population and productive economy, including the efficiency and effectiveness of regulatory bodies;
- » the appropriate role for government in the energy sector;
- » opportunities to drive the more productive and efficient use of energy;
- » energy related distribution infrastructure to deliver efficient national markets;
- » alternative transport fuel sources;
- » workforce issues, including national skills development needs;
- » emerging energy technologies and new energy sources; and
- » future growth in exports of energy products, including our world leading services industries.

The Energy White Paper will be led by the Department of Industry.

For more details

[CLICK HERE](#)

For the ENA Submission to the white paper click

[CLICK HERE](#)

## ENERGY WHITE PAPER TIMELINE

5<sup>th</sup> December 2013  
Terms of Reference released

17 December 2013  
Issues Paper released

7 February 2014  
Close of submissions for the Issues Paper

May 2013  
Green Paper released (expected)

September 2013  
Energy White Paper released (expected)

## EASTERN AUSTRALIAN GAS SUPPLY STRATEGY TO 2020

ENA is developing a response to the Eastern Australian Domestic Gas Market Study (the Study), with comments due on 7 February 2014. The Study will be used to develop the *Eastern Australian Gas Supply Strategy to 2020* which is listed as a relevant additional process to the recently released 'Energy White Paper Issues Paper'. The Study is focussed mainly on balancing the needs of industrial users of gas against expected changes to the price and supply of gas. Barriers to supply and measures to further market reform and transparency, including potential changes to regulation, are significant elements of the Study for ENA members.

For more details

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For the ENA Submission

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# ENERGY NETWORKS 2014

MELBOURNE AUSTRALIA  
29 APRIL-1 MAY 2014

## ENERGY NETWORKS 2014

**Energy Networks 2014 – The Future is NOW will be held at the Melbourne Convention and Exhibition Centre from 29 April – 1 May 2014.**

With an impressive line-up of panellists and key note speakers across the plenary sessions of the conference and a packed program across the four conference themes - Engagement, Innovation, Assets and Gas - the conference is delivering leading international and domestic executives and practitioners.

Online Registration, the detailed program and an enhanced Sponsorship and Exhibition prospectus are now available on the Energy Networks 2014 website.

### MINISTER IAN MACFARLANE TO OPEN ENERGY NETWORKS 2014

ENA is delighted to announce that the Minister for Industry, The Hon. Ian Macfarlane MP, will be opening **Energy Networks 2014**, to be held in Melbourne from the 29<sup>th</sup> April to the 1<sup>st</sup> May 2014.

Minister Macfarlane brings more than a decade of experience in the energy portfolio, including two terms as the responsible Minister in the Howard Government. He brings his extensive experience and pragmatic approach to energy policy and reform.

Minister MacFarlane's address to the conference comes at a critical point in the development of the Australian Governments 2014 Energy White Paper.



### EXHIBITION + SPONSORSHIP OPPORTUNITIES

Don't miss the opportunity to be a part of Australia's most important energy supply event in 2014.

For more information about our sponsorship and exhibition PACKAGES please contact:

**HELEN MCGOWAN**  
SPONSORSHIP & EXHIBITION MANAGER

T +61 3 9907 8628

E helen@wsm.com.au

[WWW.ENERGYNETWORKS2014.COM.AU](http://WWW.ENERGYNETWORKS2014.COM.AU)

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# The future is NOW

ENGAGEMENT | INNOVATION | ASSETS | GAS

## ENA NEWS

### ENA ANNUAL DINNER AND ENERGY NETWORKS 2014 PROGRAM LAUNCH

The program for Energy Networks 2014 hosted by the Energy Networks Association (ENA) was launched at the ENA Annual Dinner held at the National Gallery of Australia in Canberra on 13 November 2013.

In front of a crowd including the Hon Bob Baldwin MP, Parliamentary Secretary to the Minister for Industry, ENA CEOs and Committee members, industry stakeholders and government officials outgoing ENA Chairman Terry Effeney launched the program by highlighting the history of the event and its status as an industry focussed conference.

The Annual Dinner was also the opportunity to acknowledge the special contribution made by three individuals for their singular work to advance the work of the ENA, and the energy networks sector.

The Energy Networks Association Industry Contribution award was presented to Anthony Englund of Transgrid for his work as Project Leader for the Rate of Return working group and its associated work streams. In presenting the award Paul Adams said that Anthony Englund had successfully overseen the development of robust, comprehensive, and rigorous submissions to the AER as part of its consultation process.



Terry Effeney and Paul Adams Photo: geoffcomfort.com



Peter Clark and Paul Adams. Photo: geoffcomfort.com

Mr Adams also acknowledged outgoing board member Peter Clark for his ongoing support for ENA and the contribution he has made to the Board's activities, particularly as Chairman of the ENA Asset Management Committee. Peter Clark joined the ENA board in 2012 to fill a casual vacancy and was appointed as Chairman of the ENA Asset Management Committee in February 2013, providing leadership and strategic direction in progressing the committee's priority issues and objectives.

Outgoing ENA Chairman, Terry Effeney was acknowledged for his custodianship of ENA for the last two years. Terry was appointed as CEO of Energex in 2007, and has been a member of the ENA Board for almost the same amount of time. During Mr Effeney's term as Chairman, ENA has expanded its policy and advocacy capability and strengthened its governance arrangements. ENA has been fortunate to have Terry's leadership during a very challenging period. Mr Effeney will remain on the ENA board, and ENA looks forward to his continued service.



# ENA ANNUAL DINNER

Photos: geoffcomfort.com





### PAUL ADAMS ELECTED CHAIRMAN OF ENA

At the ENA Annual General Meeting in November Paul Adams, the Managing Director of Jemena Limited, was elected as the new Chairman of the Energy Networks Association (ENA).

Mr Adams, who previously served as the ENA's Deputy Chairman, was appointed Chairman following the association's AGM on 14 November 2013.

Mr Adams' appointment as ENA Chairman comes in the same month he reaches a major milestone in his career at Jemena. It was five years ago – in November 2008 – that he was appointed as Jemena's Managing Director.

Prior to his appointment as Managing Director of Jemena, Mr Adams was the General Manager, Network Services Group at SP AusNet from 1 April 2005 to 7 November 2008. Prior to that, he held the position of General Manager of TXU Networks from 2003 to 2005.

Mr Adams has over 25 years' experience in the Australian energy sector and has performed a range of senior management roles in both technical and commercial disciplines.

Paul holds a Bachelor of Engineering degree (first class honours) and a Graduate Diploma of Management and Finance from Swinburne University. In addition, Paul has also completed the Executive Development Programme with the Australian Graduate School of Management, the Diploma from the Australian Institute of Company Directors and Leading Change and Organisational Renewal at Harvard Business School.

Mr Adams is joined on the Board by Peter McIntyre (Deputy Chairman) Terry Effenev, Hugh Gleeson, Andrew Staniford, Nino Ficca, Paul Italiano, Rob Stobbe, and Rod Howard.



### ENA WELCOMES JOAN MORRELL

ENA was delighted to welcome Joan Morrell as Business Services Manager and Company Secretary in October. Joan has joined ENA from the Australian National Audit Office, having previously worked at the Global Carbon Capture and Storage Institute, DRET and in industry associations including Australian Industry Group and Australian Electrical and Electronic Manufacturers Association.

## COMING UP

Review of Electricity Customer Switching Submissions due. 14 February 2014

[CLICK HERE](#)

Draft Rule Determination Connecting embedded generators. Submissions Due 20 February

[CLICK HERE](#)

Annual Market Performance Review 2013. Submissions due. 26 February 2014

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QCA Discussion Paper: Retail Electricity Price Regulation in Regional Queensland. Submissions due. 28 February 2014

[CLICK HERE](#)

Discussion Paper: South Australian Policy for New and Replacement Electricity Meters. Submissions due. 28 March 2014

[CLICK HERE](#)

AEMC Reliability Standard and Settings Review 2014- Release of final report. 30 April 2014

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