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AUSTRALIA’S ENERGY CONSUMERS DON’T NEED ANOTHER INQUIRY

A new Senate Inquiry on electricity network regulation appears more focused on politics, than better outcomes for electricity consumers, the Energy Networks Association (ENA) said today.

ENA CEO John Bradley said there were existing independent institutions empowered to address the issues listed in the Inquiry’s Terms of Reference.

“A comprehensive review of Australia’s electricity network regulations was completed over 2012 and 2013 and the independent regulator is currently assessing the first round of full determinations,” Mr Bradley said.

“Australia has seen a four year period of overlapping reviews by the Productivity Commission, Senate Committees, Independent Panels as well as the Australian Energy Market Commission and Australian Energy Regulator.

“There have been substantial changes to the regulatory rules and guidelines governing the cost of capital, capital expenditure allowances, forecasting and the engagement of consumers.

“Consumers will derive no benefit from injecting more politics in another round of regulatory policy design, even as the current reforms are being implemented.”

Mr Bradley said that the Inquiry would be a distraction from the real priorities in energy reform which can reduce the pressure on electricity prices for consumers in the long-term.

“Australian energy users have a direct interest in a stable regulatory environment which supports least cost infrastructure delivery and more political reviews will not achieve this.

“The Smart Grid Smart City report released earlier this year also highlighted the high cost to energy users if Australia’s electricity tariffs are not reformed to provide fairer prices that reward customers for more efficient use.

“The Australian Energy Market Commission has recently highlighted the unfair cross-subsidies which can emerge under current tariffs, of up to \$700 per year for some air-conditioning consumers and \$120 per year for some customers with solar panels,” Mr Bradley said.

ENDS.

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ENA is the peak national body for Australia’s energy networks; and represents gas distribution and electricity network businesses on economic, technical, environment and safety regulation as well as national energy policy issues.

REGULATORY REVIEWS OVER 2010-2014

