

Access and pricing rule change

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This morning I will...

- Paraphrase Ed's points on the benefits of the Access & pricing rule change for non-DER and DER customers
- Describe what the AER is doing now in response to the rule change
- Discuss the role of the consumer voice in carrying these reforms forward
- Conclude by noting capacity building training for consumer advocates will be available in early 2022

Rule change benefits for non-DER customers & protections for DER customers

- DER customers will finance network upgrades for more exports
- Any two-way pricing proposals will be consulted on by both networks & assessed
- DER customers may be rewarded for exporting later in the day & in the evening peak
- Export charges will be modest and introduced only from 2024/25
- Basic export level no cost export service for anyone assigned to an export tariff
- The quality of the export service will be subject to our incentive framework and public reporting

What is the AER doing now?

- Developing a methodology to value customer exports
- Developing new Export Tariff Guidelines

[+ observing network stakeholder engagement]



- Considering how to extend the existing network service incentive scheme to cover the export service
- Preparing to report on network export performance

Not public yet...

The consumer perspective is more important than ever

- Two way pricing is part of a broader tariff reform program
- New network tariffs reward customers for shifting their network use to offpeak times
- To develop tariff proposals, networks and the AER engage with consumer advocates, energy sector participants, customers and others
- Introducing two-way pricing underlines the importance of stakeholder engagement

Stakeholder engagement is central to tariff reform

Networks consult stakeholders in developing tariff proposals AER observes and participates in network stakeholder engagement

AER assessment of tariff proposals incl. formal stakeholder engagement

Everyone can contribute to tariff reform but background helps

- The energy sector is experiencing unprecedented change reform context is dynamic
- Tariff reform has more than one objective
- The reform context is dynamic
- Tariff options are complex
- AER is working with Energy Consumers Australia (ECA) to develop customer advocate training in tariff reform
- To access this training please contact ECA or myself on <u>dale.Johansen@aer.gov.au</u>

Learn more about tariff reform at

www.aer.gov.au/networks-pipelines/network-tariff-reform