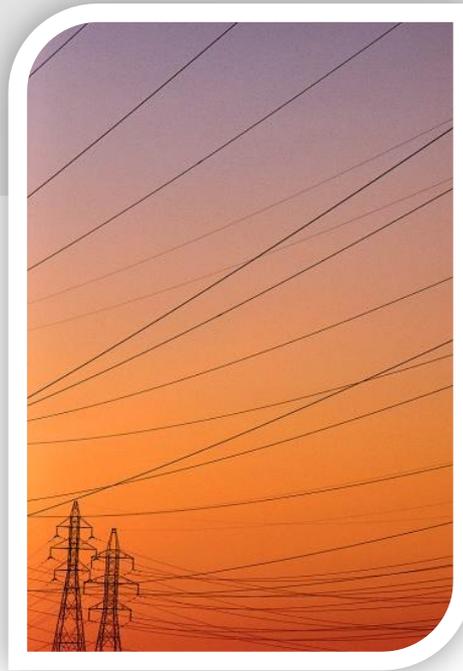


# SACOSS Consumer Engagement in Energy and Water Regulation Conference



Jim Cox

AER Board Member

18 August 2015

# What is consumer engagement?

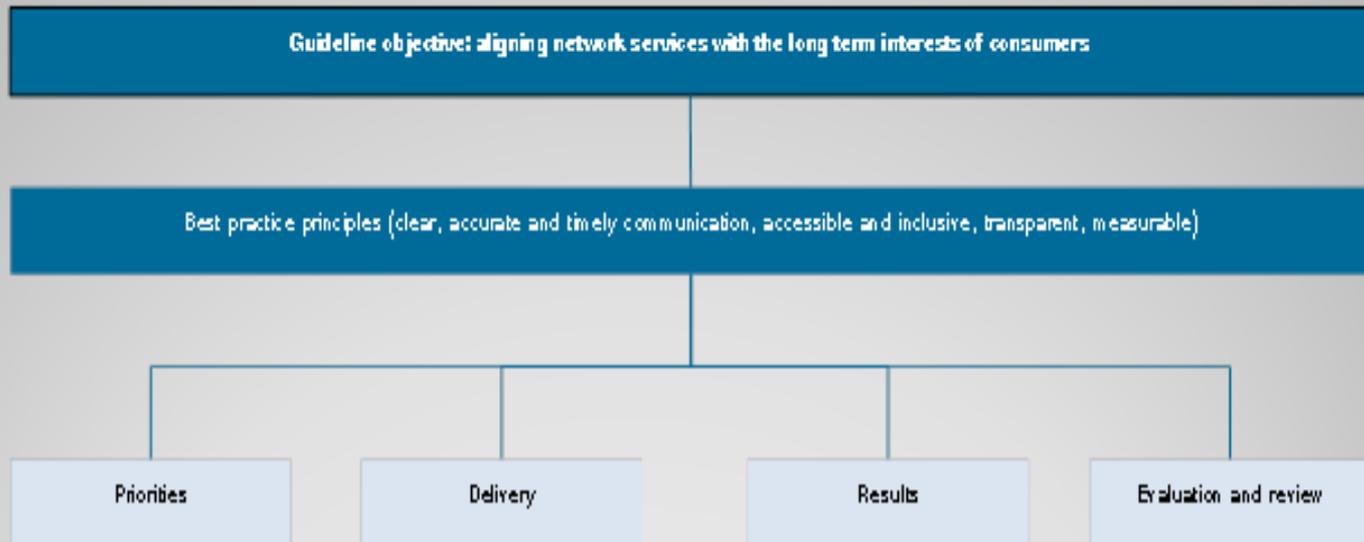
- Working openly and collaboratively with consumers
- Providing opportunities for consumers' views and preferences to be heard
- Providing opportunities for consumers to influence the regulatory process

# Why do we need it?

- Good regulatory practice
  - Our role under NEO and NGO - to promote efficiency in electricity and gas services in the long term interests of consumers
- Requirement of National Electricity Rules
  - Businesses must indicate extent of their consumer engagement in their regulatory proposals
  - AER must take it into account when making revenue determinations
- Helps consumers
  - get the outcomes that best suit their needs

# AER Consumer Engagement Guideline for Network Service Providers

## Overview of the consumer engagement guideline for network service providers



# What are some examples of good consumer engagement?

- Still early in the process
- Difference between good and bad engagement is attitude
  - Good engagement means consulting with consumers before developing a regulatory proposal
- Purpose may just be to provide information
- Statistically valid and very thoroughly tested methodology needed – if primary evidence for a proposed expenditure

# How do you get effective consumer engagement?

- Be clear about what you are seeking from your consumer engagement
  - Define and publish clear and transparent objectives and KPI's
- Measure success against your objectives and KPI's
  - Including by asking consumers
- Analyse and publish how you think it went and what you would do differently next time
- Share your experiences with others at industry and consumer events

## Tariff Structure Statements

- Success of reforms depends on how well businesses engage with retailers and their customers
- Requirement for businesses to describe how they have engaged to develop their proposed Tariff Structure Statements
- We would also expect to see evidence from businesses of how customer and retailer input has informed their views

## What is the AER currently doing to engage more effectively with consumers regarding network decisions?

- Issues papers and draft decisions and guidelines
- Public forums and predetermination conferences
- Fact sheets
- Consumer Challenge Panel
- Jurisdictional groups of consumer representatives