

ICRC Consumer Consultative Committee

Meeting 1/2020 - Tuesday 28 April 2020

Key dates			
1. Late April 2020	Draft report on incentive mechanisms for water and sewerage services regulation released	2. Early May 2020	Final Determination on Electricity Feed-in Code consequential amendments
3. May 2020	Annual utility licence monitoring report published	4. Late May 2020	Final report on public crematorium services competitive neutrality provided to ACT Government
5. By 5 June 2020	Final report and price direction for retail electricity price investigation released	6. Early June 2020	Water and sewerage price reset report released
7. Early June 2020	Updated Capital Contribution Code Precinct Map published	8. 1 July 2020	New Consumer Protection Code and Electricity Feed in Tariff Code commences

Work-in Progress

1. Electricity price investigation

On 28 May 2019, the Commission received terms of reference to determine prices for the supply of electricity to customers on regulated retail tariffs for the four-year period commencing 1 July 2020. The terms of reference also require the Commission to investigate whether changes are needed in the ACT to improve the transparency and comparability of electricity offers. On 4 February 2020, the Commission released a draft report as part of the investigation. A public forum was held on 5 March. The Commission is seeking feedback from stakeholders on the draft decisions and draft recommendations by 20 March. A final report will be released in early June 2020.

Further details are available at <https://www.icrc.act.gov.au/energy/electricity/retail-electricity-prices-2020-24>.

2. Water and sewerage services prices in 2020–21

The Commission will set the annual water and sewerage services prices to apply in 2020-21 and release these prices in early June. The Commission will update prices to account for changes in the Consumer Price Index, cost of debt, and water charges such as the ACT Government's Water Abstraction Charge.

3. Water and sewerage services price regulation: Incentive mechanisms

The Commission is reviewing the incentive mechanisms that encourage Icon Water to operate efficiently in delivering regulated water and sewerage services. On 4 December 2019, the Commission released an issues paper as part of the review. The Commission is now preparing a draft report and intends to publish it in late April for stakeholder feedback.

Further details are available at <https://www.icrc.act.gov.au/projects/current-projects/incentive-mechanisms>.

4. Public Crematorium Services: Competitive Neutrality

On 20 December 2019, the Commission received a request from the Treasurer to provide advice to help ensure that a new crematorium facility to be built and operated by the ACT Public Cemeteries Authority (Canberra Cemeteries) operates in a manner consistent with competitive neutrality.

The scope of work for the advice specifies a two-stage process. Stage one requires the Commission to develop detailed pricing principles to guide Canberra Cemeteries in developing a costing methodology and prices for the services and products to be provided by the public crematorium facility that will be consistent with the ACT Government's Competitive Neutrality Policy. In stage two, the Commission will assess Canberra Cemeteries' pricing proposal, including its proposed costing methodology and prices, for compliance with the detailed pricing principles and more broadly with the Competitive Neutrality Policy.

The Commission released an issues paper on 31 January and a draft report on 27 March. The draft report contains draft pricing principles and sought stakeholder feedback by 16 April.

For further information on this project, please visit: <https://www.icrc.act.gov.au/projects/current-projects/public-crematorium-services-competitive-neutrality>

5. Consumer Protection Code Review

In December 2019, the Commission released its final decision on the Consumer Protection Code review. The new Code will come into effect from 1 July 2020. The final code is broadly the same as the Commission's draft code, with some adjustments to ensure that:

1. Icon Water's proactive arrangement with ACT Health for registering life support premises can continue.
2. Water supply cannot be disconnected for an outstanding debt.
3. A timeframe for the removal of water flow restrictors is included in the guaranteed service levels (GSL).
4. Energy GSL exclusions are meaningful in the context of gas services (previously they were electricity only).
5. Water reliability (interruptions) GSLs do not apply to customers on a contract for non-drinking water.

The Commission expects that consumers will become increasingly aware of the code and its protections once GSL rebates start being paid automatically from 1 July.

For information on this project, please visit: <https://www.icrc.act.gov.au/utilities-licensing/consumer-protection-code-review>.

6. Electricity Feed-in Code update

On 27 February, the Commission released a consultation paper and draft Electricity Feed-in Code (FiT Code) for public consultation. The FiT Code is an industry code that establishes dispute resolution procedures between energy distributors and retailers, as well as setting out specific consumer protections relating to the *Electricity Feed-in (Renewable Energy Premium) Act 2008*. The FiT Code applies only to premises accessing the premium feed-in tariff, through the *Electricity Feed-in (Renewable Energy Premium) Act 2008*. The premium feed-in scheme was closed to new entrants

on 13 July 2011. Premises receive premium feed-in payments for a maximum of 20 years from the date of connection.

The current FiT Code quotes sections of the Consumer Protection Code. Following the determination of a new Consumer Protection Code, consequential amendments are now required to the FiT Code to ensure that it is consistent with the new Consumer Protection Code from 1 July 2020.

Submissions on the draft code closed on 5 April 2020 and the final determination on the new Electricity Feed-in Code is expected to be released in early May. For more information on this project, please visit: <https://www.icrc.act.gov.au/energy/electricity/electricity-feed-in-code-update>.

7. Utility Licence monitoring

Each year, licensed utilities are required to submit a Utility Licence Annual Report (ULAR) to the Commission. The ULAR reports on aspects of utilities' performance and their compliance with licence conditions and industry Codes. All licensed utilities have submitted their 2018-19 ULARs and the Commission expects to publish its monitoring report in May 2020.

Our preliminary analysis shows mostly positive outcomes for utilities and consumers, with complaint figures down in most categories. Results for planned and unplanned outages were mixed, but in general performance in most categories remaining positive and consistent with previous years.

8. Water and Sewerage Capital Contribution Code – update to precinct map and precinct charge

The Commission determined a Water and Sewerage Capital Contribution Code in December 2017. The Code sets out a charge that applies to developments that increase the demand on the network; that charge is used to partially fund future network upgrades. Subject to Commission approval, the Code allows Icon Water to update the precinct charge and the precinct map (outlining areas where the precinct charge applies) annually. Icon Water is due to submit updated precinct map and precinct charge information to the Commission in May. The Commission will publish any updates to the precinct charge as part of the annual water price reset and will publish the updated precinct map on its website in June.

For information on the Water and Sewerage Capital Contribution Code, and the current precinct map, please visit: <https://www.icrc.act.gov.au/water-and-sewerage/water-and-sewerage-capital-contribution-code>