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Publisher

Electricity Week

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<paraindent><param>right,left</param>Kevin Greene, MP Chairman
The NSW Standing Committee on Public Works

Dear Mr Greene

Investigations into consumer powerlessness will continue to founder in complexity and obscurity while the State of NSW owns the supply side.

Therefore, I propose a single action to produce a radical effect and many benefits: It is:

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A law, to require all distributors to;

* supply a customer's real time and historic data

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(more below, on benefits)

DISCUSSION:

Your Inquiry will consider the "application of current government and industry policies". In summary:

The State of NSW has no economic motive to empower the consumer.

Economic motives eclipse moral drivers.

* In NSW, the State owns and controls the supply side;

* the supply side advises the State on State policy.

State-owned NSW generators can earn up \$20,000,000 in a single day by

withdrawing capacity, and thus earn a \$9,000 return of the sale of \$5 worth of coal power.

As the NSW Government has set a ceiling on retail electricity tariffs the consumer gets no incentive to participate in the market, or to change behaviour, or to "trade" in the market.

The supply-side rules and the Treasury of NSW, profits.

I encourage your review to consider these contradictions.

I offer these points for consideration by your review:

1. Under the "current government and industry policies", NSW
 - a. protects its State-owned retailers from risk;
 - b. protects its voters (residential users) from price variations; and
 - c. seeks maximum budget cash flow from State-owned generators;
 - d. monopoly distributors/retailers block innovation and competition;
 - e. monopoly distributors/retailers may increase demand, to raise cashflows.
 - f. the State-owned transmission firm blocks innovation; and
 - g. the State-owned generators raise prices by withdrawing capacity at the times of highest demand.

Given that this Inquiry will not have the power to deal with these embedded NSW obstacles to energy efficiency for residential consumers, I believe the single, most effective action, with the most radical effect would be:

A law, to require all distributors to;

- * supply a customer's real time and historic data
- * in a standard internet format. (eg XML,CSV by ftp)

Such a law, (correctly drafted and very strongly enforced) would enable:

* greenhouse

trading of demand side reductions;

- * demand-side trading under the NEM;
- * competition with supply side power;
- * proliferation of new data businesses;
- * building owners of home-owners to earn income by withdrawing energy times of peak demand;
- * information for consumers on their use patterns;
- * consumers to swap to a retailer offering lowest price at a certain time;
- * State-wide statistics of retail usage;
- * ABS sector reports of energy use by time; and
- * State, sector and building greenhouse reports.

I would expect very strong resistance to this proposal from NSW State-owned retailers, distributors and generators.

Please contact me if you want more detail or a technical presentation on the market consequences and behaviours created by NSW policies.

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ABOUT EWN

EWN Publishing owns<italic> Electricity Week</italic>.

<italic>Electricity Wee</italic>k has reported on electricity and gas law, policy and operation since 1986.

The <italic>Electricity We</italic>ek website <http://www.erisk.net> updates wholesale price data and supplies about 100 news items for all of the regions of the National Electricity Market.

It reports daily, in great detail, on the operations of the NSW, Vic, SA, Snowy and Queensland regions and has five years of detailed data and analysis.

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