

ELECTRICITY REFORM OVERSIGHT COMMITTEE

STATUS REPORT

Date: 20 December 2012

The Electricity Reform Oversight Committee met on 19 December 2012.

The following matters were discussed:

- status of the nine project work streams;
- project risks and issues;
- issues raised by the Business Issues Reference Group; and
- reports from the various working groups.

The Electricity Reform Oversight Committee noted that the Shareholding Ministers have issued an updated Ministerial Charter to Hydro Tasmania and that the *Electricity Reform Act 2012* received Royal Assent on 11 December 2012.

The Electricity Reform Oversight Committee:

- considered options in regard to the operation of feed-in tariffs under a multi-retailer market and requested that consultation be undertaken with relevant parties;
- considered options to transition the range of electricity concessions currently available to a multi-retailer environment;
- noted the importance of appropriate governance arrangements for the sale process for Aurora Energy's customer bundles to ensure an appropriate level of probity;
- noted that a new process will need to be implemented to support price regulation under FRC, including amendments to the *Electricity Supply Industry Act 1995* and the *Electricity Supply Industry (Price Control and Related Matters) Regulations 2012*;
- discussed progress in regard to the regulation of Hydro Tasmania's contracts in the Tasmanian wholesale market;
- considered options for the structuring of the sale of the Pay-As-You-Go product, noting that the product is supported through complex metering and back-office arrangements;
- noted that in order to support the customer divestment, Transitional Services Arrangements will need to be provided for the new retailers until they are able to provide the necessary customer services from their own operations;
- noted that the transfer or sale of the Tamar Valley Power Station prior to the divestment of Aurora's retail customer base will require Aurora Energy to adjust its hedging strategy as it will no longer have access to the generation capacity of the power station;
- considered arrangements for the introduction of full retail competition; and

- noted that a communications plan had been developed and that the appointment of a communications adviser to facilitate customer understanding of the new retail arrangements is currently being finalised.

Martin Wallace
Chair