

TREASURER TOM KOUTSANTONIS

Thursday, 7 July 2016

Advocating for South Australian energy customers

The 2016-17 State Budget includes \$1.5 million to help consumers get a better deal on electricity prices and increased interconnection with the national energy market.

The measures include \$1 million over five years for the South Australian Council of Social Service (SACOSS) to deliver the South Australian Energy Consumer Advocacy Project, ensuring residential consumers are effectively represented in energy regulation determinations and policy formulation within the national energy market.

The budget also provides \$500,000 towards a \$1 million feasibility study, co-funded with ElectraNet, to explore options for greater energy interconnection with the Eastern states, which would give South Australia increased access to baseload power and enable our cheap renewable energy to be sold into other jurisdictions.

Background

Last month several major energy retailers operating in South Australia increased electricity prices for residential and business customers.

The companies cited the cost of gas and coal-fired generation and the changing energy mix as reasons for the increases.

In response the State Government requested the Essential Services Commission of South Australia to investigate whether the increases are justified.

South Australian Energy Consumer Advocacy Project

The more than \$1 million funding for the South Australian Energy Consumer Advocacy Project will provide SACOSS with the resources they need to advocate on behalf of South Australian residential energy consumers.

SACOSS will make representations to regulatory bodies whose determinations in relation to the energy market impact on the household budgets of South Australians.

The funding will allow SACOSS to:



- Provide informed input to all relevant and prioritised energy regulation processes relating to SA
- Annually brief the Minister for Energy about energy pricing issues affecting SA consumers
- Monitor and draw attention to relevant research and trends in other national and international jurisdictions
- publish consumer research
- Provide support for residential consumer representatives on key consumer committees
- Facilitate consumer engagement with energy utilities operating in South Australia
- Host an annual hardship conference, to discuss, consider and improve hardship amelioration
- Improve cooperation and collaboration between groups representing different consumer segments.

Interconnection feasibility study

South Australia has limited interconnection with the national energy market, connecting only with Victoria. Victoria, on the other hand, interconnects with South Australia, New South Wales and Tasmania. This means that South Australia has fewer options than other jurisdictions in terms of who it can trade energy with, which can lead to higher prices.

Premier Jay Weatherill last month wrote to Prime Minister Malcolm Turnbull and Labor Leader Bill Shorten, seeking an immediate and unqualified commitment to greater electricity interconnection to allow for much greater, two-way trade of electricity between South Australia and the eastern states.

Any further interconnection with the Eastern states would be in addition to the current upgrade of the Heywood interconnector between South Australia and Victoria, due to be completed in August 2016.

The \$1 million feasibility study will look at a broad range of options, including further upgrading the Heywood interconnector and building a new, second AC interconnector to NSW.

South Australia is a world leader in renewable energy, with more than 40 per cent of energy coming from renewables. Experts suggest that once the market adjusts to the changing energy mix and battery storage technology advances South Australia will be ahead of the curve and see downward pressure on energy prices.



Quotes attributable to Energy Minister Tom Koutsantonis

We don't have the ability to control electricity prices because our power generation assets were privatised under the previous State Liberal Government.

That deal also meant that an additional interconnector with the eastern states was not pursued, which gives South Australia limited options when it comes to trading electricity, and has led to higher prices.

This \$1 million in funding for SACOSS to advocate on behalf of South Australian energy consumers will provide a strong, independent voice for South Australian energy consumers.

SACOSS has built a national reputation for energy advocacy and research on behalf of consumers, having participated in regulatory and policy processes over the last ten years.

They are well equipped to navigate the complex technical and legal nuances of the energy market and this investment will help ensure they can continue to be able to play a vital role as a voice for consumers.

The Interconnection Feasibility Study will look at how we can better connect with the eastern states to gain greater access to baseload power and find new markets for the cheap renewable energy generated in South Australia.

South Australia's renewable energy industry leads the world, and by working with Federal and State governments we can help other states access that cheap, green power and reduce their carbon emissions at the same time.

Greater interconnection would also create more competition between wholesale suppliers, putting downward pressure on prices.

Quotes attributable to South Australian Council of Social Service CEO Ross Womersley

Energy consumers belong at the heart of the processes for defining regulated services and service levels, and in determining the prices that are paid for the provision of those services by energy businesses.

Consumers and especially vulnerable consumers need to know that the bills they pay are fair and legitimate.

Supporting consumers to have strong representation on these issues is essential to achieving this.

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