

The Hon Kevin Rudd MP
Prime Minister
Chair - Council of Australian Governments
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

On 7 December 2012, the Council of Australian Governments (COAG) endorsed the Standing Council on Energy and Resources' (SCER) energy market reform package 'Putting Consumers First'. I am pleased to report significant progress has been made against agreed milestones.

SCER met on 31 May 2013 to make key decisions on these reforms and to confirm future directions in implementation of the reform agenda. In particular, SCER considered important policy changes on reforms for the limited merits review regime, which were formally agreed and published by SCER on 6 June 2013, and agreed in-principle to establish a national energy consumer advocacy body with initial set up from 1 July 2014.

SCER also noted that good progress has occurred on the implementation of the National Energy Customer Framework (NECF), with South Australia and New South Wales implementing the framework this year - this follows NECF implementation by Tasmania and the Australian Capital Territory on 1 July 2012. The remaining jurisdictions, Victoria and Queensland, are looking to implement in 2014 and from mid 2014 respectively.

SCER's cooperative reform agenda is strengthening network regulation to ensure network expenditure is efficient and avoids undue price pressures for consumers. It also promotes greater demand side participation to minimise peak demand and associated infrastructure investment by empowering consumers to better understand and manage their energy use and costs. Measures to enhance competition and consumer engagement and protections in the energy market are also being progressed. The Australian Energy Regulator (AER) announced the representatives appointed to its Consumer Challenge Panel on 1 July 2013.

SCER is also working closely with the three energy market bodies on the delivery of key energy market reforms. SCER has agreed to an enhanced performance and accountability framework for the AER and the Australian Energy Market Commission (AEMC). SCER has also tasked the AEMC with a number of energy market reviews aimed at progressing specific elements of the reform agenda, and is enlisting the support of the Australian Energy Market Operator on more complex operational matters.

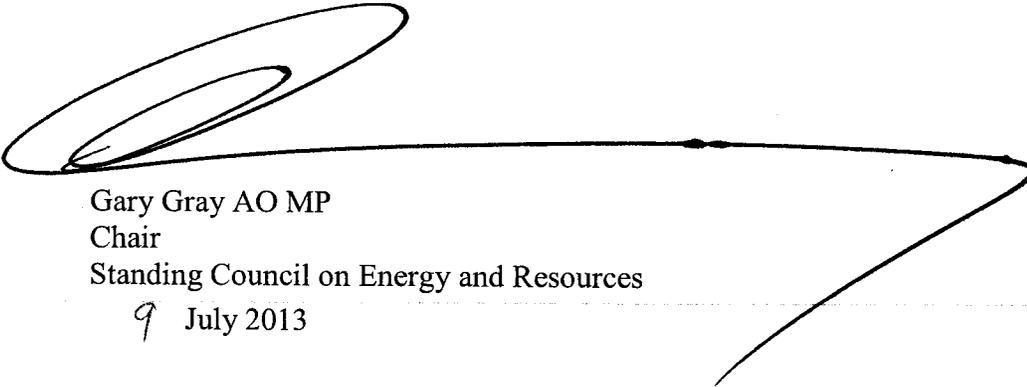
Progress on the reform package against the implementation plan agreed by COAG in December last year is detailed in the attached report, supplemented by SCER's consolidated demand side participation work plan. The report and work plan have been made publicly available on SCER's website. In general, they show that work is on track across a wide range of commitments.

Notwithstanding this progress, a significant amount of work still needs to occur to ensure efficient energy markets and regulation that deliver enduring benefits for consumers on their energy supply and costs. SCER intends to meet again towards the end of this year to further progress these initiatives. Following this meeting, SCER will again report on the status of these reforms.

It should be noted that while SCER's progress report is generally specific to electricity market reform, SCER continues to advance a broad range of other important energy and resources matters. In particular, SCER has an increasing focus on gas market development issues. SCER provided its gas market update to COAG in March 2013 and has made considerable progress on implementing the Australian Gas Market Development Plan. SCER's meeting communiques detail SCER's progression on this and other such matters - see www.scer.gov.au.

SCER looks forward to continuing to work with and update COAG on these important reforms.

Sincerely



Gary Gray AO MP
Chair
Standing Council on Energy and Resources
9 July 2013

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COAG Energy Market Reform - Implementation Plan - Report on Progress - Mid 2013

Key Issues	Key Recommendations (as put to and agreed by COAG 7 December 2012)	Key Milestones	Primary responsibility	Delivery dates	Progress	Notes
1. Strengthening Governance <i>Ensuring a strong and accountable regulator</i>	Welcome the Commonwealth proposal to increase funding to the Australian Energy Regulator (AER) to increase its technical expertise and improve its capacity to effectively perform its role and deliver its new functions including under the revised rules for economic regulation of networks.	Formalised in 13/14 Budget	Commonwealth	1 July 2013	The Commonwealth has provided an additional \$23 million of funding over four years to the AER, commencing 2013-14.	Relevant to Western Australia (WA) as it relates to the AEMC and the Northern Territory (NT) ¹
	Endorse strengthening consumer input in network pricing decisions through the establishment of the Consumer Challenge Panel within the AER.				Panel established by AER (from 1 July 2013) – see 6.2.	
	1.1) That the part-time state nominated AER Board member convert to full-time.	Formalised in 13/14 Budget	Commonwealth	1 July 2013	The part-time state/territory AER member will be converted to a full-time position (effective 1 July 2013).	
	Note that the Commonwealth will introduce budget transparency for the AER, including the actual allocation of program funds over the course of the previous financial year and provide information on	Formalised in 13/14 Budget	Commonwealth	1 July 2013	The 2013-14 Australian Competition and Consumer Commission (ACCC) Portfolio Budget Statement separately identifies the AER budget.	

¹ Unless specified in Notes, recommendations are not relevant to WA or the NT.

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	projected AER funding and staffing (separately from that of the Australian Competition and Consumer Commission (ACCC)) over the forward estimates period.					
	1.2) SCER will develop enhanced budget and performance reporting to SCER and the public for the Australian Energy Market Commission (AEMC) and the AER, noting that this will include the AER providing a regular public report on its activities, including its budget and business plan and its performance against key performance indicators (KPIs), as well as its views on emerging regulatory issues that it will be focusing on in its work.	Reporting Framework Finalised	Commonwealth in consultation with SCER	December 2013	SCER has agreed to an enhanced performance and accountability framework for the AEMC and AER. The framework comprises: a Statement of Expectations to be agreed by SCER; a Statement of Intent by each organisation; and reporting against Key Performance Indicators in the AEMC and AER annual reports. Statements of Expectations will be developed by officials for SCER consideration.	
	Welcome the Commonwealth's proposed independent review of the AER and its operational requirements, in 18 months' time to ensure resourcing is adequate, and the operational arrangements are effective, to meet the demands of the new regulatory regime drawing on the experience of the	Review Commences	Commonwealth (Treasurer and Energy Minister)	July 2014	The terms of reference for the Review will be developed in due course.	

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	transitional period.					
2. Strengthening the regulatory outcomes <i>Ensuring that the rules equip the Regulator to reach efficient regulatory outcomes in the long term interests of consumers</i>	Welcome the AEMC's <i>Economic Regulation of Network Service Providers Rule change</i> which will lead to more efficient outcomes in setting revenues and prices for consumers by giving greater scope to the AER to adapt its approaches to the nature of the business it is regulating, clarifying the powers of the regulator to undertake benchmarking and publish information on the relative efficiency of electricity network businesses, and changing how the rate of return on capital (a key driver of network revenues) is set.	Rule finalised	AEMC	Nov 2012	AER consulting on key implementation issues under its Better Practice Regulation program.	
	Call for the rapid implementation of these rules so that consumers see their benefits in upcoming regulatory determination processes (especially any changes to the weighted average cost of capital regime).	N/A	N/A	N/A	Completed – AER managing implementation.	
	Note the Productivity Commission's (PC) finding in its draft report for its inquiry into	N/A	N/A	N/A	The PC's final report and Australian Government response released on 26	

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	Electricity Network Regulatory Frameworks that efficiency benchmarking may be an important tool for the regulator as the rigour and accuracy of benchmarking methodologies improve over time.				June 2013.	
	2.1) Identify barriers and if necessary ensure the AER has sufficient and clear powers to collect and publish data by amending the National Electricity Law (NEL)/National Gas Law (NGL), so as to improve transparency, accountability and benchmarking in the economic regulation of network businesses, in consultation with industry.	Advice on barriers	AER and AEMC	February 2013	Advice received	
Finalise policy position on basis of advice		SCO	April 2013			
Finalise legislative amendments (if needed)		SCER	June 2013			
Parliament to introduce legislation (if needed)		SA	1 July 2013			
2.2) Ensure the AER has appropriate and adequate enforcement powers, including	Finalise discussion paper, engage reviewer or	SCER	February 2013	Discussion paper and terms of reference finalised and published. Allens and NERA Economic		

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	civil penalty arrangements, through a review of enforcement regimes – to be completed by end 2013.	consultant			Consulting engaged to undertake review.	
		Review finalised	SCER	December 2013	Review commenced May 2013 – consultant's final report due by 30 September 2013.	
3. Appropriate appeals mechanism <i>Ensuring that the appeal framework supports outcomes consistent with the long term interests of consumers with respect to price, quality, safety, reliability and security of supply and the system</i>	Welcome the Final Report from the Expert Panel Review of the Limited Merits Review Regime, including its assessment of the shortcomings of the regime to date in delivering the original policy intent and the Panel's proposals for improvement.	N/A	N/A	N/A	Completed - included in SCER's – "Putting Consumers First" document.	Relevant to WA (as it relates to gas pipeline access) and the NT
	Note that the Expert Panel has called for clearer articulation of the policy intent of merits review through clarifications in the Law and setting out functions and responsibilities of the review body and the AER; changes to establishing grounds for appeal (a "materially preferable decision" criteria); clearer links to consumer objectives; a more investigative (less adversarial) approach to appeals; and the establishment of a new review body, the Australian Energy Appeals Authority (AEAA), which would be independent of	N/A	N/A	N/A	Completed as above.	Relevant to WA (as it relates to gas pipeline access) and the NT

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	but hosted by the AEMC, and funded by industry fees.					
	3.1) Prepare and release a Regulatory Impact Statement (RIS) by December 2012, which would seek to assess the costs and benefits of the Expert Panel's recommendations against the status quo	Publish consultation RIS	SCO	December 2012	Completed – Consultation RIS was published on 14 December 2012.	Relevant to WA (as it relates to gas pipeline access) and the NT
		Publish decision RIS	SCER	March 2013	Completed – Decision RIS was published on 6 June 2013.	
	3.2) Subject to the RIS process, the policy response should be agreed and any necessary legislative amendments drafted by mid-2013; such that the amended regime can be in place by the end of 2013 in advance of the next round of full determinations.	Finalise legislative amendments (if needed)	SCER	June 2013	Legislation being drafted to give effect to policy agreed in RIS.	Legislation in SA Parliament required
		SA Parliament to introduce legislation (if needed)	SA	July 2013. To be effective from Jan 2014	Draft legislation released for comment on 26 June 2013 and a public forum held on 28 June 2013.	
4. More power to consumers <i>To ensure consumers have the tools to control their bills by understanding and managing the quantity and timing of their energy consumption.</i>	4.1) SCER to develop and implement a package of reforms based on the recommendations of the AEMC's <i>Power of Choice</i> review that allows consumers to see and access the value of their choices in the electricity market, which includes: 4.1.1) consumers' rights to access and control	Report to COAG on implementation to date and forward plan	SCER	June 2013	SCER has agreed in principle to these reforms, and tasked officials to implement through rule change proposals.	Limited relevance to WA and the NT although some of the principles may be relevant NT to consider implementation of reform initiatives where net benefit can be

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	<p>their own electricity data and provide it to other parties and the appropriate tools, streamlined systems and protections for doing so; and</p> <p>4.1.2) new principles and reforms to encourage the market-driven (business-led) competitive roll-out of smart meters and other advanced metering.</p>					demonstrated
<p>5. Demand side participation</p> <p><i>Ensure that consumers are supported by energy supply businesses to make consumption decisions that control bills and provide long term benefits to the market</i></p>	<p>5.1) SCER to implement a comprehensive demand side participation (DSP) package, which includes supply-side changes to facilitate DSP, based on the recommendations of the AEMC's <i>Power of Choice</i> review, including:</p> <p>5.1.1) The phasing in of efficient and cost-reflective retail energy prices through the application of time varying network tariffs, including suitable protections for vulnerable customers, with such network tariffs to be available no later</p>	Report to COAG on implementation to date and forward plan	SCER	June 2013	<p>5.1) SCER has agreed in principle to a package of reforms to facilitate DSP, based on the recommendations of the AEMC's Power of Choice review and AEMC advice on electric and natural gas vehicles. SCER has agreed this package should be implemented through a combination of legislative change, rule-change proposals, and work by AEMO.</p> <p>5.2) SCER adopted key reforms from the Power of Choice review at its December 2012 meeting, and published its full response on 4 March 2013. SCER published its overall DSP</p>	<p>Limited relevance to WA and the NT although some of the principles may be relevant (less in WA with capacity market)</p> <p>NT to consider implementation of reform initiatives where net benefit can be demonstrated</p>

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	<p>than July 2014;</p> <p>5.1.2) Appropriate consumer engagement and education, and protections for vulnerable consumers, during a pricing structure transition;</p> <p>5.1.3) a new mechanism for demand side resources to participate in the wholesale National Electricity Market (NEM), to be in place by July 2014;</p> <p>5.1.4) arrangements that will allow consumers to unbundle electricity supply from demand side services (i.e. to sell their demand side to a third party or competing retailer); and</p> <p>5.1.5) balanced incentives for distribution businesses to implement efficient demand side options and to pursue innovative demand side solutions (reform the current demand management and</p>				<p>plan in May 2013, including the status of each measure. For details see www.scer.gov.au/workstreams/energy-market-reform/demand-side-participation/.</p>	<p>The AEMC's final, detailed recommendations on 5.1.3, and subsequent advice from the Australian Energy Market Operator, set out a series of steps that need to be followed, which will allow the mechanism be in place in the first quarter of 2015.</p>

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	<p>embedded generation connection incentive scheme).</p> <p>5.2) SCER should seek to adopt in principle the full set of <i>Power of Choice</i> recommendations at its December 2012 meeting, followed by the detailed interaction with the AEMC necessary to lead to final decisions by SCER and a report to COAG in June 2013 on its overall DSP plan and implementation progress.</p>					
<p>6. Enhancing consumer representation</p> <p><i>Ensuring that the objective of the Australian Energy Market Agreement, which places an emphasis on the long term interests of consumers, is met</i></p>	<p>6.1) That a national advocacy body, well equipped to constructively contribute to energy policy development, rule change processes, and network determinations (including appropriate appeals processes), is an important next step in advancing the interests of energy consumers.</p>	Agree in-principle that a national advocacy body is required to advance the interests of energy consumers at a national level	N/A	December 2012 – COAG meeting	At its meeting of 31 May 2013, SCER agreed in principle to establish a national energy consumer advocacy body with initial set up from 1 July 2014.	Relevant to WA and the NT
	<p>6.2) To develop, in close consultation with consumer bodies, a proposal on the form, scope and funding to establish such a national body, equipped to engage in regulatory</p>	SCER to develop a proposal on model, funding and implementation arrangements	SCER	June 2013	A proposal for a national energy consumer advocacy body was developed for SCER by two expert advisors. Their final report was released publicly on 31 May 2013. SCER asked officials to develop a	Relevant to WA and the NT

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	processes, support targeted research and advocacy initiatives, and lead on national advocacy issues.				detailed implementation plan.	
	Note that establishing such a body is likely to require legislative change and that in parallel immediate steps should be taken to improve consumer representation in the energy market.	N/A	N/A	N/A		Relevant to WA and the NT
	Note the establishment of a Consumer Challenge Panel within the AER to ensure that consumers are better represented within regulatory decisions.	Funding and selection of Panel	SCER and AER	No later than July 2013	Panel established by AER (from 1 July 2013) following an open EOI and selection progress.	Commonwealth resourcing commitment to the AER
	6.3) Improvement of criteria for the Consumer Advocacy Panel (CAP) grant allocation within the <i>AEMC Establishment Act</i> Regulations to have greater focus on addressing priority needs of average energy consumers, including in AEMC processes and consider the appropriate mechanism and location of the function for the allocation of consumer grants (given 6.1 and 6.2).	Consultation on improvements	SCER	June 2013	On 31 May 2013, SCER agreed to relevant amendments to the AEMC Establishment Regulations.	Relevant to WA and the NT

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7. Ensuring consistent national frameworks <i>Consumers benefit from efficiencies of consistent national frameworks and rigorous national approaches to regulation</i>	7.1) That SCER recommend to COAG that it reiterate its commitment to having all jurisdictions in the NEM commence the National Energy Customer Framework (NECF) as soon as practicable and no later than 1 January 2014, subject to the resolution of issues specific to those jurisdictions yet to implement, with SCER to report to COAG by June 2013 and in early 2014 on progress in resolving outstanding issues and implementing the NECF.	VIC and QLD to have their legislative instruments passed in their parliaments	NSW, VIC, QLD and SA	As soon as practicable but no later than 1 January 2014	The NECF has been successfully implemented by the ACT, TAS, SA and NSW. VIC and QLD planning for 2014 and mid 2014 respectively.	SA applied the NECF on 1 February 2013. Subject to resolution of state specific issues
		NSW, VIC and QLD application Acts to meet SCER Energy Market Reform Working Group (EMRWG) and SCER approval processes	SCER to report to COAG	June 2013	As per above.	
8. Deregulation of retail prices <i>To ensure efficient and competitive retail energy markets for the benefit of consumers and the energy sector alike</i>	8.1) SCER to recommend to COAG that it reiterate its commitment to retail price deregulation where effective competition exists. 8.2) Jurisdictions to work towards effective competition where it does not exist to allow greater opportunities for innovation in and choice of				Completed - occurred through SCER and COAG meetings in late 2012.	Advice from jurisdictions on transition to price deregulation (8.2, 8.3, 8.5, 8.6)
		Delivery of transition plans on price deregulation by jurisdictions (8.2, 8.3, 8.5, 8.6)	All jurisdictions – except VIC which deregulated prices in January 2009	By end 2013	Being progressed by individual jurisdictions. SA no longer required to report given price deregulation from February 2013.	Relevant to WA and the NT for high level commitments

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	retail offers, and that jurisdictions will provide advice to SCER on the current state of competition and policy settings to fulfil this commitment by end 2013, including, where appropriate, clear transition plans to price deregulation. SCER will provide advice on this to COAG by the end of 2013.		SCER to report to COAG	By end 2013	SCER will report to COAG with transition plans from jurisdictions.	(AEMC competition reviews are NEM only) SA deregulated energy retail prices on 1 February 2013.
	8.3) Jurisdictions that have previously been advised by the AEMC that effective competition exists, and/or to deregulate prices, will re-evaluate this advice and report back to SCER on the potential to act on this advice by the end of 2013.	Report by relevant jurisdictions	SA, ACT	By end 2013	Only ACT required (Given SA deregulated prices) – will do through transition plans above.	
	8.4) SCER to develop any necessary enhancements to the AEMC competition review approach, incorporating where provided advice from the AEMC as previously requested and taking into account any advice from the AEMC's review of competition in NSW, and including proposals to COAG for Australian Energy Market Agreement (AEMA)	Delivery of new approach to AEMC retail competition reviews through SCER (including supporting framework – AEMA amendments) and subsequent adoption by the	All jurisdictions (through SCER) to develop new approach and AEMC to adopt	By end 2013	Over the first half of 2013 SCER developed and approved a revised approach to the AEMC's competition reviews. This includes Terms of Reference and amendments to the AEMA to guide the AEMC. SCER presented the amended AEMA to COAG for its approval on 9 May 2013. Subject to approval by COAG, SCER intends to request the AEMC apply the new approach with a first report in 2014.	SCER's development of and agreement on new approach to AEMC competition reviews COAG AEMA amendments required

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	<p>amendments, by 2013 with any new approach to be applied annually thereafter.</p> <p>Options to be provided to COAG by June 2013</p>	AEMC				Relevant to WA and the NT only in relation to potential adoption of AEMC review process by WA or the NT
	<p>8.5) Task the AEMC to develop a consistent methodology for the determination of regulated retail prices, including incorporating time varying ('time of use') network tariffs and with particular regard to a methodology for determining the wholesale energy cost component. Jurisdictions will consider whether to apply this methodology once it is available for consideration.</p>	Delivery of the AEMC's advice on consistent retail price setting methodology	<p>All jurisdictions (through SCER) to task AEMC and the AEMC to report</p> <p>Individual jurisdictions to consider adoption of AEMC advice</p>	By end 2013	SCER issued Terms of Reference for the AEMC to develop this methodology on 9 May 2013. The AEMC is progressing this review with its final advice due to SCER by 30 September 2013.	AEMC's resourcing capacity to develop new approach to competition reviews and deliver advice on consistent retail price setting methodology (8.4 & 8.5)
	<p>8.6) Given the opportunity to transfer retail price controls to the AER under s14.12(b) of the AEMA, jurisdictions will explicitly consider whether to transfer responsibility for applying the methodology</p>	Jurisdictional reports on consideration of application of AEMC approach	All jurisdictions – except VIC which deregulated prices in January 2009.	By end of 2013	Being progressed through the transition plans to be developed by jurisdictions.	Advice from jurisdictions on transition to price deregulation (8.2, 8.3) and completion of AEMC advice

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	developed in 8.5 to the AER. Jurisdictions will report on their decisions under recommendations 8.5 and 8.6 by the end of 2013 as part of their reports in 8.2.					(8.5) No longer relevant to SA due to deregulation of energy retail prices on 1 February 2013. Relevant to WA and the NT
	8.7) Task the AEMC to enhance its annual pricing reports from 2013 with better information on actual prices paid by consumers (covering both standing and market offers).	AEMC reporting on electricity prices more closely represents actual household prices	SCER to task AEMC and the AEMC to adopt	By end of 2013	Completed – SCER issued revised Terms of Reference (ToR) to the AEMC on 19 December 2012. Discussions ongoing between AEMC and jurisdictions over data requirements and clarification of matters contained in ToR.	AEMC's resourcing capacity Relevant to WA and the NT
9. Micro-generation <i>Ensuring that payment for electricity exported to the grid from embedded micro-generation more accurately reflects the true value of that electricity, regardless of the form of micro-</i>	9.1) That the National Principles for Feed-in Tariff Schemes be amended to provide for all forms of micro generation technologies to be offered a fair and reasonable tariff and to close premium schemes to new participants by 2014. 9.2) SCER to recommend that	None required beyond December COAG	Jurisdictions	December 2012 – decision by COAG 2014 - Premium schemes to close to new	Completed – SCER recommended, and COAG agreed, that COAG adopt the revised principles as part of its package of recommendations on a new energy reform agenda. Each jurisdiction is to consider the new principles during the course of any reviews of feed-in tariff schemes.	COAG agreement to publish the amended principles is pending (principles were agreed, but not published, in December 2012, and are not part of

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<i>generation technology deployed</i>	COAG adopt these new principles.			participants		AEMA) Relevant to WA and the NT
10. Reliability standards <i>Delivering the right balance for consumers between security of supply and costs of delivery</i>	10.1) Task the AEMC with developing a nationally consistent framework for expressing, delivering and reporting on distribution and transmission reliability outcomes. This framework should incorporate values of customer reliability and differences arising from geographical location. Jurisdictions will consider whether to apply this methodology once it is available for consideration.	Task AEMC with development of national framework and methodologies.	SCER	January 2013	Completed – SCER tasked AEMC on 8 February 2013.	
		AEMC publish its Final Report	AEMC	September 2013		
		Agreement to policy position including tasking AEMC with developing an implementation plan Jurisdictions to report back whether/when they will adopt the methodology	SCER	December 2013		

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		Agreement to implement	SCER	June 2014		Subject to an agreed national framework
		New framework in place and implemented	SCER and individual jurisdictions	December 2014		Subject to complexity of implementation requirements
	<p>10.2) Amend the AEMA to make explicit the opportunity for jurisdictions to transfer responsibility of applying the framework developed in 10.1 to the AER. Jurisdictions will report on their decisions under recommendations 10.1 and 10.2 to the SCER by the end of 2013.</p> <p>States and territories to agree in principle to adopt the new best practice framework</p>	Draft amendments	SCO	April 2013	Detailed analysis suggested the need for amendments to the AEMA or Law is not required at this time. AEMC is currently developing methodology.	
		Finalise amendments	SCER	May 2013		
		Jurisdictions to report back on whether/when they will transfer the setting function to AER	SCER	December 2013		
<p>11. Transmission framework</p> <p><i>Ensuring that the transmission framework is supporting the competitive market by optimising efficient</i></p>	Welcome the work done to date by the AEMC in undertaking the <i>Transmission Frameworks Review</i> and note the potential improvements identified in access, connections, and planning processes. <i>[Due March 2013, but may receive</i>	N/A	N/A	N/A		

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<i>network and generation decision-making</i>	<i>earlier]</i>					
	Note that the PC, in the draft report for its inquiry into <i>Electricity Network Regulatory Frameworks</i> , also identified the high level of interdependence between the use of transmission networks and competitive market outcomes and is consulting on issues which will inform future reforms in this area.	N/A	N/A	N/A	The PC's final report and Australian Government response released on 26 June 2013.	
	11.1) Respond to the AEMC's <i>Transmission Frameworks Review</i> .	Receive Final Report	AEMC	31 March 2013	Completed – published 11 April 2013.	Subject to complexity of the AEMC's recommendations
		Draft policy response	SCO	May 2013	Completed – published in SCER Bulletin 31 May 2013.	
Finalise policy response	SCER	End 2013	Officials considering detailed implementation and design and testing issues. Officials developing rule change request that sets out SCER's final position on the AEMC's recommendations for immediately actionable rule changes relating to connections and planning			

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					arrangements.	
12. Changes in demand <i>Ensuring that the benefits associated with reducing demand can be shared between network businesses and consumers</i>	12.1) Task the AEMC to prepare advice on the merits of the AER considering the difference between actual and forecast demand in the prior determination period when undertaking the current determination. This could include analysis of which party bears the risk when forecasts are not realised and the difference of impact depending on whether the control mechanism sets prices or revenue. The AEMC advice should include a draft rule change if considered necessary.	Task AEMC with a review	SCO	December 2012	Completed – SCER tasked AEMC with review on 18 January 2013.	
		AEMC Final Report	AEMC	March 2013	Completed – SCER provided Final Report on 26 April 2013.	
		Policy response agreed	SCER	May 2013	Completed – published in SCER Bulletin 31 May 2013.	
		Advice from AEMO and AER about any necessary amendments to the Rules		June 2013 (to be in place by next round of regulatory determinations, with AEMC considering for one year)	Not required.	Subject to transitional arrangements from the AEMC's rule change
	12.2) Request AEMO to provide independent demand forecasts to the AER in a manner which will enhance the AER's ability to analyse demand forecasts submitted by network businesses. AEMO (in consultation with the AEMC/AER) to also provide its	Tasking	SCER	December 2012	Completed – 18 January 2013.	
		Advice from AEMO and AER about any necessary amendments to the Rules	AEMO and AER	March 2013	Completed – April 2013.	

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	assessment of the information requirements necessary to undertake the task and whether it considers it has adequate access to this information.	Submit rule change proposal (if required)	SCER	May 2013 (to be in place by next round of regulatory determinations, with AEMC considering for one year)	In progress – SCER agreed on 31 May 2013 to the need for rule change and tasked officials with making a rule change request by the end of 2013.	Subject to transitional arrangements from the AEMC's rule change
Business Advisory Forum Taskforce (BAFT) Recommendations	i) Note the Commonwealth will request the ACCC to consider the need to enhance information available to vulnerable consumers on ways they can manage their energy bills.	Letter to the ACCC and AER to consider this request within existing resources.	Commonwealth	June 2013	<p>Completed.</p> <p>The AER will implement a targeted consumer engagement program, which will include the development of consumer materials to be used and distributed to organisations that work directly with vulnerable consumers.</p> <p>The main component of this work is an 'intermediaries kit', which will utilise pre-existing materials, such as fact sheets and information on the Energy Made Easy (EME) website.</p> <p>Further work is underway on:</p> <ul style="list-style-type: none"> • Development of a postcard for the promotion of the EME website. The postcard will direct consumers to a 'checklist' page on the EME website that provides simple questions to ask before signing up to a new contract. • Developing a management ('train the trainer') kit for intermediaries to deliver to their consumer networks; 	

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	<p>j) Agree that SCER will provide advice to COAG by June 2013 on progress against its energy market reform implementation plan, as updated to account for December COAG decisions, and appropriate accountability arrangements. These accountability arrangements will include ongoing oversight by COAG of implementation of energy market reforms.</p>	10 May 2013 SCER meeting	SCER	June 2013	<p>and</p> <ul style="list-style-type: none"> • Training intermediaries to educate consumers on the use and benefits of EME. <p>Completed – SCER provided a revised implementation plan to COAG on 4 March 2013. The matter is under consideration by COAG. This updated plan provides further advice to COAG on progress.</p>	
Seamless national Economy National Partnership Agreement Recommendations	<p>The adequacy of investment in Australia's existing gas and electricity markets is assessed and necessary actions taken to ensure the market delivers efficient levels of investment.</p>	<p>The Standing Council on Energy and Resources will continue to monitor investment issues but considers this milestone complete</p>	<p>Jurisdictions</p>	<p>The Standing Council on Energy and Resources will continue to monitor investment issues but considers this milestone complete</p>	<p>Complete - as agreed by COAG in its response to the COAG Reform Council's <i>Seamless National Economy: Report on Performance 2011-2012</i>.</p>	<p>This relates to the BAFT recommendation to incorporate any deliverables under the Seamless National Economy National Partnership Agreement which have not been replaced by new energy market reform elements</p>