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Our Ref:

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Australian Energy Market Commission  
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19 May, 2006

Dear Dr Tamblyn

### **Draft Rule Determination for Advocacy Panel**

The Public Interest Advocacy Centre (PIAC) submits the following comments in response to the Draft Rule Determination in relation to the Advocacy Panel published by the Commission on 6 April.

Foremost, PIAC is pleased to acknowledge that the Commission has taken account of the views of stakeholders as expressed in formal submissions made in response to the rule change proposal submitted in December 2005 by the Ministerial Council on Energy (MCE). We note that the Draft Determination has incorporated a number of important amendments to the original Rule change proposed by the MCE

In particular PIAC welcomes the commitment by the Commission to make reference to the *Principles for the Appointment of Consumer Representatives* when developing guidelines for appointment of members to the Advocacy Panel. PIAC understands the preference of the MCE to move away from the current arrangements where members of the Panel are appointed to represent specific sets of interests. We note, too, the requirement that the Commission consult with the MCE in developing these guidelines and have regard to nominations of the MCE when appointing members of the Panel or its Chair. Nonetheless, our view is that it remains practical and, indeed, desirable for the members of the Panel to have among their number at least one person who has direct experience with the interests of end-users and, in particular, residential users of energy.

PIAC looks forward to the opportunity to engage with the Commission around the development of the guidelines for the appointment of members of the Advocacy Panel.

A number of other changes to the original proposed Rule change have been made by the Commission which are very much welcomed as they have achieved important clarifications in respect of:

- the frequency of meetings of the Advocacy Panel;
- audits of projects funded by the Panel;
- the independence of members of the Panel from not only the Commission but other regulatory bodies as well as market participants;
- the rules for meetings of the Panel including quorum and the voting power of the Chair; and
- the requirement for applicants for funding to make a contribution to the respective project and the ability of the Panel to waive this requirement.

Finally, PIAC welcomes the Commission having explained the reasons behind its decision not to amend the proposed Rule change so as to stipulate that the Panel has a primary focus on the interests of small to medium users. We remain of the opinion that in this respect the Rule change does not reflect one of the key aspects of the MCE decision of November 2005 to change the rules under which the Advocacy Panel operates. It is appreciated that the Commission has articulated so clearly its thinking in this area. However, we believe it will be appropriate to have further discussion of this question when the funding application guidelines are being developed by the Panel for approval by the Commission.

Yours sincerely  
Public Interest Advocacy Centre Ltd

A handwritten signature in black ink, appearing to be 'JW', with a long, sweeping horizontal line extending to the right.

Jim Wellsmore  
Senior Policy Officer