

Australian Capital Territory

**INDUSTRY REFERENCE FOR INVESTIGATION INTO FULL RETAIL
CONTESTABILITY FOR ELECTRICITY**

Disallowable instrument DI2001-346

made under the

**INDEPENDENT COMPETITION AND REGULATORY COMMISSION ACT 1997,
Section 15 (Nature of industry references) and Section 16 (Terms of industry
references)**

Reference for Investigation Under Section 15

Pursuant to subsection 15(1) of the Act, I refer to the Independent Competition and Regulatory Commission (the “Commission”) the matter of an investigation into the public benefit of the extension of full retail contestability for electricity in the ACT.

Specified Requirements in Relation to Investigation Under Section 16

Pursuant to subsection 16(1) of the Act, I specify the following requirements in relation to the conduct of the investigation:

The Commission is to have regard to the following in its investigation:

1. The costs and benefits of the implementation of full retail contestability for electricity for the ACT, taking into account the Territory’s obligations under the Council of Australian Governments (COAG) and National Competition Agreements. The review should include options for the ACT in relation to:
 - a. proceeding as soon as management and administrative systems allow; and
 - b. not proceeding at this time.
2. Identifying and describing the electricity market participants using 100 Megawatt/hours per annum (MWh pa) or less;
3. Identifying and quantifying the costs and benefits (financial and non-financial) flowing from the extension of full retail competition for electricity in the ACT to customers using 100 MWh pa or less. This should include the effect of possible changes in electricity prices for different categories of customers, including those who may be socially disadvantaged;
4. The means and costs of avoiding or mitigating any adverse impacts on consumers, particularly those socially disadvantaged;

5. Whether or not the ACT should adopt deemed profiling of customer usage and the desirability or otherwise of moving to full metering;
6. An assessment of studies and/or experience in other jurisdictions with the implementation of FRC for the different classes of small business and residential users; and
7. any other related matters.

In undertaking the investigation, the Commission is to:

- (i) canvass the views of key stakeholders including, consumer groups, small business representatives, social welfare groups and electricity suppliers and retailers; and
- (ii) conclude the investigation by 31 March 2002 and report as soon as practicable thereafter.

Dated this 18th day of December 2001

TED QUINLAN
TREASURER