

Independent Competition and Regulatory Commission (Price Direction for the Supply of Electricity to Franchise Customers) Terms of Reference Determination 2013

Disallowable instrument DI2013–244

made under the

Independent Competition and Regulatory Commission Act 1997 ('the Act'), Section 15 (Nature of industry references) and Section 16 (Terms of industry references).

Reference for investigation under Section 15

Pursuant to section 15(1) of the Act, I refer to the Independent Competition and Regulatory Commission (the 'Commission') the provision of a price direction for the supply of electricity to franchise customers for such period from 1 July 2014 to be determined by the Commission with provision for annual review where appropriate.

Terms of reference for investigation under section 16

Pursuant to section 16(1) of the Act, I require that the Commission consider the following matters in relation to the conduct of the investigation:

1. The Commission should consider the following matters:
 - a. The impact on direct electricity costs of changes in government policies and pass through of those costs to regulated prices including, but not restricted to:
 - i. the Commonwealth Government's carbon pricing mechanism;
 - ii. Commonwealth and ACT retailer obligation energy efficiency schemes;
 - iii. the Commonwealth Government's Large and Small Renewable Energy Targets; and
 - iv. any other schemes implemented to address climate change relevant to electricity pricing.
 - b. The efficient and prudent cost of managing risk in the cost of purchasing electricity.

2. The Commission must identify and report on the cost allowance of the ACT Feed-in Tariffs (small and large scale) for the year(s) or period for which its determination is being made.
3. The Commission must identify and report on the efficient costs of complying with the *Energy Efficiency (Cost of Living) Improvement Act 2012*.
4. The Commission must produce its final report in time sufficient to allow ActewAGL Retail to make any necessary changes to its billing system and to provide information on the new tariff to customers for implementation effective 1 July 2014.

Andrew Barr MLA

Treasurer

20 September 2013