

Australian Capital Territory

# **Independent Competition and Regulatory Commission (Price Direction for the Supply of Electricity to Certain Small Customers on Standard Retail Contracts) Terms of Reference Determination 2019**

**Disallowable instrument DI2019–72**

made under the

**Independent Competition and Regulatory Commission Act 1997 ('the Act'), Section 15 (Nature of Industry Reference) and Section 16 (Terms of References).**

## **EXPLANATORY STATEMENT**

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The purpose of this instrument is to refer to the Independent Competition and Regulatory Commission (the Commission) the process to determine a new price direction for the supply of electricity to small customers (who consume less than 100MWh of electricity in any 12 consecutive months) on standard retail contracts for the period of 1 July 2020 to 30 June 2024. The current price direction expires on 30 June 2020.

The instrument requires the Commission to make provision for annual recalibrations of prices to occur by 30 June 2021, 30 June 2022 and 30 June 2023.

Under section 15(4) of the Act, the reference only applies to the authorised electricity retailer ActewAGL.

The Terms of Reference outline the matters that must be considered by the Commission when setting the next price direction. This includes the impact on electricity costs of Government policies or schemes, such as the ACT Government's Energy Efficiency Improvement Scheme and the Commonwealth Government's Large-Scale Renewable Energy Target and Small-scale Renewable Energy Scheme.

The Commission is also required to consider whether changes could be made to improve the transparency and comparability of regulated pricing offers and unregulated market offers in the Territory. In considering this matter, the Commission will be required to take into account relevant recommendations and findings of the Australian Competition and Consumer Commission in their 2018

*Retail Electricity Pricing inquiry – Final Report*, which considered these issues in detail.

Consistent with section 16(2)(a) of the Act, the Terms of Reference require the Commission to release its final report and price direction within the period of 1 March 2020 to 5 June 2020. This is to ensure that ActewAGL Retail has sufficient time to provide information to customers about new prices, and to make any changes to its billing system, in advance of the commencement of the new price direction on 1 July 2020.

Andrew Barr MLA  
Treasurer