



Ethnic Communities' Council of NSW Inc.

221 Cope Street Waterloo NSW 2017

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16/08/2012

By email: NSWACTelectricity@aer.gov.au

Mr Warwick Anderson
General Manager, Network Regulation,
Australian Energy Regulation
GPO Box 3131
Canberra ACT 2601

Submission to the AER's preliminary *Framework and approach paper for Ausgrid, Endeavour Energy and Essential Energy*

Dear Mr Anderson,

The Ethnic Communities Council of NSW (ECC) welcomes the opportunity to comment on the AER's preliminary ***Framework and approach paper for Ausgrid, Endeavour Energy and Essential Energy*** for the control period from 1 July 2014 to 30 June 2019.

The Ethnic Communities' Council of NSW (ECC) is the peak organisation for culturally and linguistically diverse communities (CALD) in NSW. The ECC's membership of 291 organisations is composed of 75% Ethnic Community organisations and 10% multicultural service providers. The ECC management committee of 44 represent 22 ethnicities and 9 belief systems with 83% born overseas. Sixteen community educators speaking 10 different languages are part of the staff and have an ongoing role facilitating household energy efficiency.

The ECC is concerned that when the Australian government is establishing a framework and approach paper that the key factors relating to relating to the relationship between demand and CAPEX are not explained or addressed.

The majority of our constituency, particularly those that are living in hardship due to energy price increases, are in the Endeavour Energy service area. The Australian Energy Market Operator (AEMO) has published a report indicating a flattening in demand and a slower growth in peak demand.¹ Endeavour Energy bases their augmentation CAPEX on forecasts of increased demand in their service area.

Similarly Ausgrid's replacement CAPEX needs to be assessed in the light of AEMOs research into demand and peak demand reduction. The AER needs to ensure that the AER assessment tools including the replacement capital expenditure (CAPEX) tool and the augmentation CAPEX tool are able to recognise that the DSNPs regulatory proposals are based on researched forecasts.

¹ AEMO *Electricity Statement of Opportunities* 09 August 2012

The ECC therefore recommends that these tools are assessed for their efficacy in a framework and approach paper.

If you have any questions about this submission, please do not hesitate to contact me on 02 9319 0288.

Sincerely yours,

A handwritten signature in black ink that reads "Helen Scott". The signature is written in a cursive style with a light blue shadow effect behind the text.

Helen Scott
Energy Program Coordinator
Ethnic Communities' Council of NSW Inc.