

Retailer Reference Group

Draft Terms of Reference

July 2020

# Introduction

These terms of reference set out how the Retailer Reference Group (RRG) will contribute to the development of the Australian Energy Regulator's (AER) 2022 Rate of return instrument (2022 Instrument). This includes involvement in the main phase of the 2022 rate of return review, from mid-2021 through to the publication of the new instrument in December 2022. It also includes preparatory activities in advance of the main phase, including the AER's working paper series on rate of return topics and the AER's 2020 review of the regulatory treatment of inflation.

The purpose of the RRG is to allow the AER to obtain direct and ongoing feedback from a retailer perspective, in order to inform the AER's decisions on rate of return and inflation and ultimately the 2022 Instrument.

The RRG forms a stakeholder representative body, focusing on information sharing and presentation and will not be responsible for any decision-making. The RRG will provide insights as to the views of its members in the form of meeting minutes, submissions and meetings directly with the AER. The RRG may also be involved in meetings with other stakeholder representatives, such as the AER's Consumer Reference Group (CRG) and Investor Reference Group (IRG).

The AER's high-level timeline for the development of the 2022 Instrument is set out in its Pathway to 2022 position paper, published in May 2020.[[1]](#footnote-2) This document includes descriptions of the key process steps and notes the important role for the RRG, CRG and IRG.

# Composition

* The AER is responsible for determining the size and composition of the RRG.
* The RRG will comprise members from a range of energy retailers, who will put forward representatives to attend.
* The AER will periodically review the relevant skills, experience, expertise and diversity represented by the members to ensure that they aid the group
* The AER expects that there will not be more than one representative from the same member company on the RRG. However, companies may nominate a secondary representative in the event of the primary representative cannot attend meetings.
* At any time, without notice or cause, the AER may invite additional members to join the RRG or terminate existing members.
* Re-nomination of representatives from members will need prior approval of the AER.
* The AER will publish a list of RRG members on its website.

# Process

## Meetings

* The AER will host periodic meetings between the AER and the RRG (including through provision of teleconference facilities, as appropriate).
* The AER-RRG meetings will be at intervals determined by the AER. The broad expectation is that there will be monthly AER-RRG meetings during the main phase of the 2022 review. These meetings will be less frequent in quieter periods.
* The AER will provide reasonable notice to Members detailing the time, date and location (or dial-in details) of these meetings.
* Representatives will use reasonable endeavours to attend RRG meetings (including online attendance, as appropriate) and maintain a reasonable level of attendance across time.

## Reporting

* Any formal communication between the RRG and the AER will be detailed on the AER's website to maintain transparency.
* All meetings should have a meeting record taken to be placed on the AER website. AER staff will prepare the record of each meeting.
* As a public record, confidential or sensitive information should not be included in these meeting notes.

## Submissions

* The RRG is invited by the AER to submit on any of the Pathway to 2022 working papers; the 2020 inflation review; and any relevant section of the 2022 Instrument review.
* The RRG should follow relevant instructions on submissions regarding deadlines and where submissions should be sent.
* The submissions should represent the views of the membership as closely as possible. Views should not be misrepresented.
* Any questions and responses between the RRG and AER relevant to the submissions will be made public prior to the submission deadline.
1. AER, Pathway to the 2022 rate of return instrument, Position paper, May 2020. Available at <https://www.aer.gov.au/publications/guidelines-schemes-models/rate-of-return-instrument-2022/preparation>. [↑](#footnote-ref-2)