



29 October 2009

The Hon. Peter Garrett AM, MP  
Minister for the Environment, Heritage and the Arts  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Minister

***Re: Smart Grid Trials and Consumer Representation***

Recent initiatives have been announced by the Department of Environment, Water, Heritage and the Arts (DEWHA) regarding the release of grant guidelines for commercial scale co-funded, fully integrated smart grid trials with a federal government funding component of \$100 million. A departmental study, "Smart Grid, Smart City: A new direction for a new energy era" was also released.

This report anticipates benefits in the operation of the electricity industry networks and reductions in greenhouse gases, however, it acknowledges that commercial scale benefits are largely unproven. The study also raises questions regarding understanding of the benefits and/or barriers to such development, in light of the innovative nature of smart grid technology.

We understand that as part of this project, regulatory and standards working groups have been set up to report to the Ministerial Council on Energy and these will be jointly chaired by DEWHA and the Department of Resources, Energy and Tourism. However, neither of these working groups include representation of consumer, community and environment agencies.

The trials will potentially involve up to 10,000 households and 200,000 consumers. Given that the issues to be considered include regulatory barriers that would affect an Australia-wide rollout, we strongly urge you to consider including consumer representation from the outset of this process. We believe that including consumers in policy and regulatory development processes is in line with principles agreed by the Council of Australian Governments at its meeting on 2 October 2008 regarding consumer reforms.

An important component of such a project is comprehensive analysis of cost benefits, including social and environmental concerns and consumer protections. Consumer views provide some balance to the interests of industry in this regard. Consumer involvement with the project would also add considerable value to the development of enhanced communication processes.

Consumer advocacy has been a feature of the development of the National Energy Market to date, with a number of consumer, social welfare and environmental agencies providing advice and formal submissions towards the legislative and regulatory frameworks and market rules. This includes the National Smart Meter Project, with a number of organisations developing a good understanding of regulatory issues that will no doubt be of relevance to the smart grid process.

We therefore urge you to broaden representation on the *Smart Grid, Smart City* working groups to ensure the project benefits from this input.

If you have any questions or wish to discuss our request, please do not hesitate to call us on the contact numbers provided below.

Yours faithfully



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Executive Officer  
**Consumer Utilities Advocacy Centre**  
(03 9639 7600)

**On behalf of the following signatory organisations:**

**Alternative Technology Association** (Damien Moyce, 03 9631 5417)  
**Consumer Action Law Centre** (Nicole Rich, 03 9670 5088)  
**Ethnic Communities' Council of NSW Inc** (Joyce Fu, 02 9319 0288)  
**Public Interest Advocacy Centre** (Joel Pringle, 02 8898 6520)  
**St Vincent de Paul Society Victoria** (Gavin Dufty, 03 9895 5816)  
**Tasmanian Council of Social Service** (Miranda Kellett, 03 6231 0755)  
**Queensland Council of Social Service** (Linda Parmenter, 07 3004 6918)  
**Queensland University of Technology CCCL** (Kathryn Mellick, 07 3138 1230)