

Session 2, 9 May 2024

- Learn about revenue recovery options
- Consider options, including managing uncertainty and risk
- Provide feedback

Attendees

- 32 forum members
- 3 observers:
 - 2 Evoenergy Energy Regulatory Advisory Panel; 1 Australian Energy Regulator
- 9 Evoenergy staff

Presenters

- Megan Willcox, General Manager Economic Regulation
- Gillian Symmans, Group Manager Regulatory Reviews and Policy
- Ashlyn Napier, Principal Regulatory Economist

Facilitator

Helen Leayr, Communication Link

Revenue recovery options

Following presentations to explain the options between a revenue cap and price cap and the potential impact on customers, groups considered a range of impacts for different customers using personas.

In the Slido poll generally, about half the room thought a revenue cap was most appropriate, a third preferred a price cap and the remaining didn't know yet. The group then considered different scenarios and the potential views of different customer types and generally felt the **price cap** was most appropriate for individual customers particularly over a 5-year period.

Managing risk while considering customer values

The group completed worksheets. The groups were asked to consider how to best manage risk while considering customer values. The groups were asked; How should Evoenergy reflect the values you have identified as they consider the revenue recovery options? On balance, what do you think is the best option – consider Evoenergy, the customer and the broader community? The group highlighted the values of fairness and considered the cost impacts on customers, particularly those more vulnerable. There were mixed views on which is most appropriate between the revenue cap or price cap. This will be discussed further in session 3.

Making the transition

The group considered how quickly they would shift your energy use from gas to electricity with consideration of a slow transition (10 years or more), medium transition (5-10 years) and fast transition (in the next 5 years).

A slower transition was the most likely option, followed by a medium transition and a faster transition being the least likely option. Roughly a third of votes were not sure. More than 50% said their view does not change, when asked if there are less customers using gas.

Next steps

- Session 3, 20 May 2024
- Keep in touch via Slack
- In session 3 revisit tariff variation mechanisms and the responses from the last activity in session 2.