

ActewAGL Distribution Energy Consumer Reference Council

Meeting 13 Minutes 10 August 2016 9:30-12:30

ActewAGL House, Canberra City

Attendees

Allan Williams (Chairman)

Glenys Patulny

Susan Helyar

Ewan Brown

Kirk Coningham

Rick Lord

Nick Clarke

Liam Lilley

Tuggeranong Community Council

ACT Council of Social Services

Gungahlin Community Council

Master Builders Association

Council on the Aging

Engineers Australia, Canberra Division

SEE-Change

ActewAGL Distribution

Dennis Stanley

Ed Gaykema

Philip Deamer

Paul Walshe

Usman Saadat

Chris Bell

Emily Brown

William Yeap

Helen Leayr

Kerri Hannaford

Branch Manager, Asset Strategy

Strategic Project Services Manager, Energy Networks

Manager, Gas Access Regulation

Director, Marketing and Corporate Affairs, ActewAGL

Deputy Directory, Regulatory Affairs

Manager Energy Networks Price Review Regulatory Affairs

Regulatory Pricing Manager

Manager, Gas Networks

Consumer Engagement

Consumer Engagement

Guest speakers

Emma Watts

Chris Dare

Director, External Relations, Energy Networks Association

Manager, Environment, Quality and Safety Systems, AAD

Apologies

Kristine Riethmiller

John Sullivan

Michael Hopkins

Merlin Kong

Stephen Devlin

Peter Cunningham

Canberra Business Chamber

Australian National University

Master Builders Association

Property Council of Australia, ACT

General Manager, Asset Management, ActewAGL

Regulatory Manager, Asset Management, AAD

Papers distributed prior to the meeting:

- Agenda meeting #13
- Draft Minutes of meeting #12
- ENA – Customer Engagement Handbook

Presentations:

- ActewAGL Distribution's Environmental Operations
- Regulatory Matters
- ActewAGL Distribution Strategic Projects

1 Welcome and introductions

The Chair, Allan Williams, welcomed Council members and apologies were noted.

Mr Liam Lilley, Executive Officer, SEE-Change, was welcomed to the meeting replacing Ms Jodie Pipcorn.

Mr William Yeap was welcomed to the meeting in his new role as Manager, Gas Networks, ActewAGL Distribution (AAD). Mr Yeap is replacing Mr Gaykema who has commenced a new role as Strategic Project Services Manager, Energy Networks, AAD and has an ongoing interest in the work of the ECRC.

Guest speakers from Energy Networks Association and AAD were welcomed to the meeting.

2 Review and ratify minutes of meeting 11

Minutes of meeting #12 were ratified and the minutes are to be added to the website.

The following matters were discussed as arising from the minutes:

- Ms Helyar updated the meeting on the proposal for an energy consumer community-based resource. Further positive feedback has been received from the Consumer Advocacy Panel – a granting body under the Australian Energy Regulator.
- Mr Lilley, as the new representative of SEE-Change, introduced himself to the meeting noting that he joined See-Change seven weeks earlier and has a background in environment and economics.

3 ECRC member updates

Mr Williams invited members to put forward matters for discussion and updates from previous meetings.

The following matters were discussed:

- Mr Lord updated the meeting on the COTA demand data survey of 20 households over winter. Consumer feedback from the surveys included concern from individuals with medical devices when electricity outages occur. The discussion included the following comments:

- The Capital Health Network has contact with GPs, may be an avenue to get information out to AAD customers who have chronic airway disease.
- Non-web based mechanisms need to be available for customers.
- AAD confirmed there is a pamphlet that is sent to all households when there is a planned outage and AAD will consider putting an article in their quarterly newsletter.

ACTIONS:

- Mr Lord will provide the relevant demand data survey to AAD.
 - AAD will consider what information is currently available on the ActewAGL website with respect to individuals with life-supporting medical devices.
 - Ms Leayr will talk to Mr David Chambers, Risk Management Office, AAD in relation to using the Capital Health Network as an information channel to households with critical life-support equipment.
- Ms Patulny noted that there had been two blackouts in the Kambah area in the last few months after no blackouts for years. The discussion included the following comments:
 - Members of the ECRC were keen to understand if or why the frequency had increased.
 - Mr Walshe confirmed that the biggest contributor to outages is fallen trees on powerlines and that the campaign on cutting back tress has had a positive impact. Mr Stanley added that AAD has now installed an Advanced Distribution Management System that provides advanced intelligence when there is an outage [to assist with planning and response].
 - The significant cost of having trees cut back from powerlines annually was raised as an issue as it may be unaffordable for some households.

ACTION: AAD will provide some information back to the ECRC on reliability performance and any changes that may be impacting on reliability in recent years.

- Mr Brown asked for an update on the gas main relocation in Gungahlin. Mr Gaykema responded. He outlined that the Gundaroo Drive work was on track and Throsby work would commence shortly.

4 Energy Networks Association Consumer Engagement Handbook

Ms Emma Watts, Director, External Relations, Energy Networks Association presented on the Energy Networks Association – Customer Engagement Handbook July 2016 which was distributed to the ECRC. The presentation included:

- Electricity Network Transformation Roadmap – www.ena.asn.au/roadmap
- Customer Engagement Program and Handbook
- Effective engagement must be more than a compliance exercise
- Effective customer engagement

Discussion:

- The use of the term customer instead of consumer was discussed, the following points were made:
 - Community organisations use the term consumer as they want the business to see the consumer as the basis for the relationship not one just based on the rights and entitlements of customers.
 - Earlier ECRC discussions had decided that the customer pays the bill but a consumer is a user of the network.
 - Ms Watts noted the definition of a customer is changing; a customer may pay the bill but may also sell energy back to the network. The ambition is to try to do better especially for network companies that have not traditionally been customer facing.
- Figure 7, Energy network business engagement tools catalogued by the AER's Consumer Challenge Panel (2014) in the Handbook was discussed. The discussion included:
 - ActewAGL is included in the table from 2014; if the table was done again today the table would reflect how much work ActewAGL now does to engage with its consumers. If possible, Ms Watts was asked to update the table within the Handbook.
 - Timing of engagement with consumers needs to consider that the choices consumers make to decrease their household energy usage may only occur once every 10 years, for instance, the purchase of a more energy efficient fridge.
 - The place of social media was considered as an engagement tool – this tool can provide the capacity to respond when needed.
 - The importance of working out ways to measure the effectiveness of engagement was discussed.

5 ActewAGL Distribution's Environmental Operations.

Mr Chris Dare, Manager, Environment, Quality and Safety Systems, AAD, was invited to present to the ECRC.

The presentation included:

- Certification and assurance
- Predicted fire intensity mapping
- Spatial hazard and constraint awareness
- Community engagement

Discussion:

- Q: In relation to the fire intensity mapping does the information we now have from the 2003 Canberra Bushfires help with predictability? A: There has been a substantial change in vegetation through the area so that changes the fire predictability.

Following the 2003 fires work has been done to understand the impact of fire on assets.

- Q: Does the EPA potentially contaminated land works assessment include consideration of indigenous heritage? A: Yes and AAD is looking for ways to be able to access more information on indigenous sites to better take them into account in planned works.
 - Cultural heritage and indigenous heritage need to be considered.
 - There are four indigenous tribes that need to be represented.
 - The Ngunnawal Elders Council were recommended for discussing cultural concerns
 - Highlights the need for co-ordinated planning across Canberra to take into account cultural and indigenous, this is especially important give the number of new developments across Canberra.
 - Contact with Community Councils, Landcare and Catchment groups was also recommended to AAD.
- Q: Several years ago the factory fire in Mitchell was hazardous material, the factory is gone but has this potential hazard just been moved? A: The polychlorinated biphenyls or PCB oil is still in trace amounts, it is tested to see if it is below a threshold amount.

6 Regulatory matters

Ms Brown provided the meeting with a presentation on three regulatory matters. The presentations and discussion included:

6.1 Tariff Structure Statement (TSS) update – AER Draft Decision

- Relevant dates - AER draft decision: 2 August; AAD's revised TSS: 4 October; AER final decision: 27 February 2017
- Areas approved by AER – a) Completeness of TSS compliance with pricing principles b) Demand tariffs for residential and commercial customers c) Assignment of new and existing customers to tariffs
- Areas rejected by AER a) Residential demand tariff – peak charging window b) LV commercial demand tariff – lack of peak charging window.

Residential Demand Tariff

- The AER is questioning the summer morning tariff that AAD presented; the AER does not consider the morning peak in summer as a peak warranting a price signal through a particular tariff. A seasonal structure to allow different peak tariffs in winter and summer has been investigated by AAD however it would be a big change for customers, so need to be considered carefully. The following feedback was provided by the ECRC:
 - Need to consider what is best for customers.

- The outcome needs to be as simple and understandable as possible for consumers. It was suggested that a seasonal structure would not be considered 'simple'.
 - Capacity for consumers to respond should be considered. AAD noted the outcome has to be revenue neutral.
 - Just removed it ☺ It was noted the COTA survey reflected that workers don't care but older people are concerned about changes in pricing.
 - If the costs increase, this will change behaviour, some households will not use a heater at all, COTA found 'older Canberrans get up late, go to the mall to keep warm and go to bed earlier'.
- AAD representatives invited ECRC members to provide feedback on the importance of have a morning winter peak tariff? The responses were mixed and included:
 - Not having a morning peak is good for simplicity
 - No morning peak and remain revenue neutral
 - If it can have an influence on consumption at that time than it is important and adjust or support concessions through other means; help them to adapt usage to avoid peak times.
 - If there is no overall cost to the consumer then agree to no morning peak tariff.

Low Voltage Commercial Customers

- AER rejected the proposed "anytime" demand window. The AER requires a peak demand window to reflect times of high network congestion AAD is currently analysing for possible charging windows.

6.2 2019-24 Regulatory Period: Framework and Approach

- The Framework and Approach sets the structure under which AAD is to be regulated and needs to be prepared as the first stage in the five year regulatory price review.
- Relevant dates - Final date for submission to AER end October 2016, Submissions regarding amendments to Framework and Approach due the end November 2016, AER publishes Framework and Approach end of July 2017.

Input from ECRC members on the Framework and Approach included:

- Predictability of costs is very important to business; a consistent understanding of costs is preferable to even small budget savings. Any changes need to be socialised and it is very important that these are communicated to business. The key message is that price stability and predictability is the key, issues need to be on the table early.
- Business can incorporate costs if they are known; otherwise there is a price shock.
- The priority of renewables and the effect on business costs needs to be discussed.

6.3 Proposed Rule Change to Smooth Revenue (Participant Derogation)

Information was provided to the ECRC on a proposed rule change to smooth revenue differentials, accrued as a result of timing of final regulatory decision, over several years rather than in the single final year of the current regulatory period. Feedback from members included:

- Are there any other changes that will impact?
- Suggest a lower percentage over five years would be good
- If there is saving to be made on administration, consider passing these savings on to customers.
- General view is that a smooth impact is recommended.
- Further discussion may be required at future meetings.

7 ActewAGL Strategic Projects

Mr Gaykema, Strategic Project Services Manager, Energy Networks, AAD provided the meeting with a presentation on strategic projects that have commenced and projects at the conceptual and feasibility phase.

The presentation included:

- Strategic Projects Portfolio – Electric Vehicles, Large Scale Solar, Light Rail, Microgrid, Batteries, Smart Metering and Biomethane (Waste to Energy).
- Next Steps – a) Bring the current projects in progress to completion b) Advance the initiatives from concept to project or abandon. c) Work with industry to advance some of these technologies to customer d) Continue to look for opportunities for innovation and sustainability.

Discussion:

- Q: is the battery subsidy from the government a self-quota? A: Yes, from a distribution business point of view it is how the customer and distribution business can benefit.
- Q: concerns were raised about door-to-door salesmen selling smart meters to households; is there a concern if there is a fire and the meter is not ActewAGL's meter? A: In the case of a fire the first action would be to disconnect power for the house, it does not matter what sort of meter the household has.

8 Other matters

No other matters were raised.

9 Draft post-meeting Communique

The following matters were noted for inclusion in the Communique.

- Welcome new member Mr Liam Lilley of SEE-Change

- Members' interest in understanding data and potential trends associated with electricity outages in the Canberra.
- Presentations:
 - a. Energy Networks Association Customer engagement Handbook
 - b. AAD Environmental Operations
 - c. Electricity Regulatory Matters
 - i. Need for price stability and predictability for business
 - d. ActewAGL Strategic Projects

10 Next meeting

9.30am 12 October 2016.

11 Meeting close

Mr Williams closed the meeting at 12:30pm.

DRAFT