

ActewAGL Distribution Energy Consumer Reference Council

**Meeting 14** Minutes 12 October 2016 9:30-12:30

ActewAGL, Greenway

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### **Attendees**

Allan Williams (Chairman)

Glenys Patulny

Susan Helyar

Ewan Brown

Kirk Coningham

Rick Lord

Liam Lilley

Kristine Riethmiller

John Sullivan

Tuggeranong Community Council

ACT Council of Social Services

Gungahlin Community Council

Master Builders Association

Council on the Aging

SEE-Change

Canberra Business Chamber

Australian National University

### ActewAGL Distribution

Dennis Stanley

Paul Walshe

Peter Cunningham

Emily Brown

William Yeap

Helen Leayr

Kerri Hannaford

Branch Manager, Asset Strategy

Director, Marketing and Corporate Affairs

Regulatory Manager, Asset Management,

Regulatory Pricing Manager

Manager, Gas Networks

Consumer Engagement

Consumer Engagement

### Guest speakers

Michael Monk

Power of Choice, ActewAGL Distribution

### **Apologies**

Michael Hopkins

Nick Clarke

Merlin Kong

Stephen Devlin

Philip Deamer

Ed Gaykema

Master Builders Association

Engineers Australia, Canberra Division

Property Council of Australia, ACT

General Manager, Asset Management

Manager, Gas Access Regulation

Strategic Project Services Manager, Energy Networks

### **Papers distributed prior to the meeting:**

- Agenda meeting #14
- Draft Minutes of meeting #13

- ECRC Forward Program

**Presentations:**

- ACT and AAD Connection Process
- Power of Choice
- ACT Supply security project
- Regulatory matters
- Meter reading estimates

**1 Welcome and introductions**

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

It is anticipated that the Property Council of Australia, ACT will be sending a new representative once management positions have been finalised.

Guest speakers from ActewAGL Distribution (AAD) were welcomed to the meeting.

**2 Review and ratify minutes of meeting 13**

Minutes of meeting #13 were ratified and the minutes are to be added to the website.

The following matters were discussed as arising from the minutes:

- *Critical life-supporting medical devices protocols* - Ms Leayr advised the meeting that the AER had developed communication information for medical practitioners which has been included on the ActewAGL website
- *ACTCOSS, CBC and SEE-Change proposal* – Ms Helyar confirmed that the proposal has been approved with \$100,000 committed for two years with an additional \$25,000 for projects from ActewAGL Distribution. It is hoped the new position will commence in November 2016 and is expected to be based at CARE Financial counselling two days a week. One of the responsibilities of the role will be to improve customer knowledge of regulatory matters. The representative will attend ECRC meetings, and it will need to be determined how they support ECRC members.
- *Electricity reliability trends* –Mr Cunningham provided the meeting with reliability trend graphs showing that ActewAGL Distribution has one of the highest reliability rates of Australian networks. Meeting reliability targets with respect to outages has significant financial impact on the business, and there are strong incentives in place to meet these targets.

It was suggested that AAD have a public document that addresses what has happened in South Australian blackouts and explain how that relates to the Canberra situation, so that resident know that we are not vulnerable to the same situation.

### **3 ECRC member updates**

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

There were no matters raised.

### **4 ACT Security of Supply**

Mr Dennis Stanley, Branch Manager, Asset Strategy, AAD was invited to present to the ECRC on the 'ACT Supply Security Project' included:

- The project has been running for 8-10 years
- Electricity in the ACT is supplied through the Canberra and Williamsdale substations. If the Canberra substation failed power supply to Canberra would be significantly impacted as Williamsdale relies on the Canberra Substation as the sole entry of power into the ACT
- This project is to further secure the electricity network through the establishment of a third substation – Stockdill. This third substation will reduce time of lost power if either of the existing substations failed.
- The Stockdill substation is due for completion in 2020. There is a lot of work to do to acquire land and work through environmental considerations.
- The ACT Government (Environment and Planning Directorate) will lead community liaison and engagement activities.
- Public notification is scheduled for July 2017

Discussion:

- Q. What would be the impact in Canberra if the ACT experienced the same situation as South Australia when they lost power across the state in September 2016? A. The situation in Canberra is different as the ACT is not reliant on next generation (green) power sources. If the Canberra substation failed then it would take two days to have Williamsdale servicing all of Canberra.
- Q. If there was a catastrophic storm in Canberra what is the risk assessment for the ACT? What mitigation measures are in place? A. If there were 120 km hour winds in the ACT it would have a significant impact on infrastructure. However to be prepared for this kind of event the cost would be huge and it is unlikely the AER would approve funding for this level of risk mitigation.
- Q. What can be done to get the message out to Canberrans that if there was an event that caused loss of the Canberra substation then worst case there would be a two day lag to get power up again? This message is needed for the business community – it includes business continuity planning. A. AAD will look at a factsheet/briefing paper with the business community as the audience focussing on continuity planning.

### **5 Regulatory Matters**

Ms Emily Brown, Regulatory Pricing Manger, AAD presented to the meeting on three regulatory matters.

**a. Tariff Structure Statement update**

The presentation included:

- TSS recap on the AER draft decision on AAD's Proposed TSS 2 August and the revised TSS submitted 4 October.
- The AER approved most elements of the Proposed TSS but rejected AAD's proposed charging windows for residential and LV commercial demand tariffs.
- Revised TSS includes changes to the residential and LV Commercial charging windows for the respective demand tariffs.
- Next steps – opportunity for stakeholders to submit response to AAD's revised TSS– October 2016.

Discussion:

- Q Is it right that retailers and hospitality will not be captured by this on weekends and after hours? A. yes that is correct, the peak window for LV commercial customers is between 7am and 5 pm weekdays.
- Q Do commercial and residential customers have to have smart meters to be able to influence their bill? A. AAD already offers tariffs (such as the time-of-use tariffs) that enable customers to influence their bill. From 1 December 2017 customers with a smart meter will be eligible for new demand tariffs which will add to customers' ability to influence their bills.

**b. 2019-24 Electricity Regulatory period Framework and Approach (F&A) update.**

The presentation included:

- F&A Overview and timeframe
- Next steps
- Input on Consumer engagement: Electricity network regulatory review (2019-24)

Discussion:

Group were asked for views on consumer engagement. Responses included:

- Need to educate consumers to have an informed conversation
- Early in the process a consumer briefing process is needed, in 2017, after this then input should be sought
- Two phases should be used, 1) information phase and 2) engagement phase.
- If early in the new year work was done to brief the consumers then consumer engagement can occur. Need to allow several months for the information phase.
- Further feedback to be provided to Helen Leayr.

### **c. Proposed Rule Change to Smooth Revenue (Participant Derogation)**

The presentation included:

- Background and where are we now?
- Rule change request – revenue smoothing. It was noted that at the August ECRC meeting the general view was that a smoothed pricing impact is supported by ECRC members.
- Australian Energy Market Commission (AEMC) process – AEMC is intending to launch a public consultation process on the proposed rule change in November 2016.

Discussion:

- Q. would the AEMC want a submission from consumers? A. Yes and there will be a consultation paper in November that consumers are invited to respond to.

### **6 ACT Connection Process – electricity**

Mr Peter Cunningham, Regulatory Manager, Asset Management, AAD presented to the meeting on the 'ACT Connection Processes' including:

- ActewAGL Distribution Connection Service Charges
- Access Canberra Approval process

The Access Canberra Approval process discussion was in relation to incidents earlier in the year when new apartment owners were allowed to move into their properties without the electricity connected. The following comments were made:

- AAD is working with Access Canberra to ensure processes are in place to avoid this happening again. AAD noted that early consultation with industry is essential when there are changes by the regulators.

### **7. Gas metering and estimated bills**

Mr William Yeap, Manager, Gas Networks, AAD was invited to present to the meeting. The presentation 'Gas Metering and Estimated Bills' included:

- Trigger for the high number of estimated bills [change in National Energy Retail Market procedure in regard to the length of time ActewAGL had to get gas meter reading data to a Retailer].
- Context of the issue
- Mitigation actions being implemented [taskforce established to resolve issues and change in contractor arrangements for meter reading]
- Information for the ECRC on the high estimated bills event and to gain feedback.

Discussion:

- ActewAGL confirmed that it was a standard process for the Retailer to trigger an estimated bill and letter to say the meter could not be accessed because it was

assumed the meter was not accessible and that was why data for the property had not been provided. Incorrect estimates that were high occurred where there was a new property ie no history of gas usage to base a bill on or it was a new meter. ActewAGL have put in place additional controls to avoid large estimated bills being sent out.

- Q. What was the rationale for the change? A. The changed procedure is designed to provide better and timelier information to the customer. However there have been a number of transition issues, which are being addressed and will continue to decline over coming months. .

## **8. Power of Choice**

Mr Michael Monck, Power of Choice, Program Manager, AAD was invited to present to the meeting. The presentation 'Power of Choice, Customer Portal Pilot' included:

- Power of Choice requirements to adding value to customers
- Examples of customer portal which could provide information on usage, outages, network support, consumption and consumption per period. Future potential of the portal could include, reporting a fault, locating a store, pay fees of a contractor and outage notifications.

Discussion:

- Q Could there be an alert for those with medical devices? A. This could be considered, but existing alerts for medical devices are probably more appropriate than one linked to an energy app/portal.
- Q. Is this just a service for distribution? A. Yes, although it could contain information on which retailer the customer is using.
- Q. Could this be used to send price signals to business customers? A Yes, but only for distribution prices. The portal/app may contain information about the distribution portion of a customer's bill but it probably won't contain information about the bill a customer receives from a retailer. It will contain historical information about a customer's energy use which will assist with decisions about consumption of energy. If the customer has an interval meter then information relating to the time that energy is consumed will be displayed.
- Q. Have the issues around the digital divide been considered? A. yes, we understand that this will not work for some customers.

## **9. AAD Customer Engagement Strategy**

Ms Helen Leayr, Consumer Engagement, AAD was invited to present to the meeting. The presentation 'Customer Engagement Stage 2' included:

- AAD Customer Engagement 2016-2018
- The Roadmap and the Plan
- Stage 1 (completed) and Stage 2
  - Understand how we currently engage with customers
  - Capability and capacity building

- Setting clear targets
- Program of work and next steps

Ms Leayr provided the member with copies of the draft documents; Customers and our Energy Networks – Customer Engagement Strategy Summary, Customers and our Energy Networks, Engagement Strategy Stage 1 outcomes Report and Customers and Our Energy Networks - Engagement Strategy Stage 2, Feedback following the meeting was sought from members.

Discussion:

- ECRC considered timely and a good avenue that was beneficial as a large customer of ActewAGL and as a consumer. The frequency of meetings is good and it has been a good process to understand the complexity that AAD deals with.
- Suggestion that there should be an icon on the ActewAGL front page of the website that allows someone to link straight to the ICON Water website to help people understand ActewAGL does not manage water and sewerage issues.
- Agreement that this is a good avenue to gain an understanding of technical aspects and to help AAD to have engagement with the public.
- Good two-way forum, AAD listens to the needs of the customer.

## 10. Other matters

### a. Network Safety Campaign

Mr Paul Walshe, Director, Marketing and Corporate Affairs, ActewAGL was invited to present to the meeting. The presentation, 'Network Safety Campaign' included:

- 2015-16 campaign overview (12 episodes from focus on power outages to storm safety)
- Research implications - campaign and underlying key behaviours being communicated have been effective but the creative approach is tiring as it reaches the end of its second year in the market (the 'I've seen it already' factor)
- 2016-17 messaging structure – primary and secondary campaigns
- Campaign creative – 'Keepin' it safe' introduces new faces and using ActewAGL employees.

Discussion:

- Q. Are the campaigns timed? A. Yes for instance in the growing season/spring the power line message is used.
- Q. Is there equal resourcing between the campaigns? ie if there is a bigger risk in one area does it have more funding? A. The messages were selected following consultation with the network managers.
- Q. Does the campaign on electrical safety include batteries and PVAs? A. There is information given to a customer when the battery is installed.
- Q. Where is the biggest risk and do the messages target them? A. The themes and timing are established following consultation with the call centre and Managers.

- Q. Do we have any fact sheets? A. There are some being developed.
- Q. Why is there a campaign about bush fires in November, wouldn't February be better? Based on the view that people often do not prepare they just react. A. It is aligned with the bushfire season about preparing (include what to do in a bushfire).
- Comment that a lot of people cannot afford to cut back trees and clear gutters.

### **11 Draft post meeting communique**

The following matters were noted for inclusion in the Communique

- Presentation on electricity reliability trends in the ACT
- ACTCOSS, Canberra Business Chamber and SEE-Change have successfully secured funding for a part-time resource to undertake research and support industry advocacy.
- ACT Security of Supply
- Electricity Regulatory Meters
- Power of Choice project
- Consumer Engagement strategy.

### **12. Next meeting**

9.30am 7<sup>th</sup> December 2016

The proposed meeting program for 2017 was accepted.

### **13. Meeting close**

Mr Williams closed the meeting at 12:30pm.