

ActewAGL Distribution (AAD) Energy Consumer Reference Council (ECRC)

Meeting 19 Minutes 9 August 2017, 09:30-12:30

Jim Service Room, ActewAGL House

Attendees

Allan Williams (Chairman)

Kevin Cox

Adina Cirson

Nick Clarke

Anna Evans

Kirk Conningham,

Ron Thompson

Rick Lord

Eileen Newmarch

Gungahlin Community Council

Property Council of Australia, Canberra Division

Engineers Australia, Canberra Division

Engineers Australia, Canberra Division

Master Builders Association

Canberra Business Chamber

Council of the Ageing

Energised Consumers Project Officer

ActewAGL Distribution

Leylann Hinch

Dennis Stanley

Will Yeap

Fiona Wright

Chris Bell

Emily Brown

Jo Fisher

Giuliana Baggoley

Helen Leayr

Lina Blair

Acting - General Manager, Energy Networks

Branch Manager, Asset Strategy

Branch Manager, Gas Networks

Manager, Primary Assets

Manager, Electricity Networks Price Review

Manager, Regulatory Pricing

Manager, Business Transformation

Customer Relationship Account Manager

Consumer Engagement

Consumer Engagement

Apologies

Susan Helyer

John Sullivan

Glenys Patulny

Peter Cunningham

ACT Council of Social Service

Australian National University

Tuggeranong Community Council

Regulatory Manager, Asset Management, ActewAGL

Papers distributed prior to the meeting:

- Agenda meeting #19
- Draft Minutes of meeting #18
- Customer Charter for Electricity Networks
- Priorities for the ACT Electricity Network – Discussion Paper

1 Welcome and introductions

The Chair, Allan Williams, welcomed Council members and apologies were noted. Mr Leylann Hinch was welcomed to the meeting as the Acting General Manager, Energy Networks while Steve Devlin is on leave. Ms Anna Evans from Engineers Australia was also welcomed to the meeting.

Mr Williams reminded the council members that they are welcome to nominate an alternate representative from their organisation to attend meetings in the event of unavailability.

2 Review and ratify minutes of meeting # 18

Minutes of meeting #18 were ratified.

Matters arising were discussed.

Ms Emily Brown advised the meeting that the AEMC has recently approved a rule change, which will mean that any adjustments to revenue, as a result of the remaking of the 2014-19 Electricity Determination, will be smoothed over the next regulatory period.

A number of ECRC members provided feedback on the Power of Choice customer portal. It was noted that the website is generally easy to access, it looks good and has been done professionally. However, some members encountered challenges during registration, and found the 10 digit password requirement to be onerous. Once logged in, the comment received was on the difficulty of searching or locating the electricity bill as the customer account number is needed to access billing information. It was suggested that clearer instructions on where to locate the account number would be useful.

There was a view expressed that the whole process is not particularly helpful as it doesn't provide any further information than what is already available on the invoice. ActewAGL Distribution noted that customers with smart meters would be able to access more useful data through the portal than those with older meters.

Remarks and feedback will be forwarded to Michael Monck.

3 ECRC member updates

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

There were no updates provided.

4 Power of Choice update

Mr Michael Monck was unavailable to give any update at this meeting. It was noted that an update will be provided at the next meeting.

5 Electricity price rises

Emily Brown presented to the meeting on the increase in electricity bills from 1 July 2017. She drew on data contained in the Independent Competition and Regulatory Commission (ICRC) final report for 2017/18 explaining the components of the price increase.

She showed data explaining the average increase in ACT electricity prices this year set by ICRC was 18.95%. The most significant increase was a 50% increase in the wholesale cost of electricity from previous year..

For further information on the ICRC report is available on its website.

<http://www.icrc.act.gov.au/wp-content/uploads/2017/03/Report-6-of-2017-June-2017-1.pdf>

6 AAD Customer Charter

Ms Giuliana Baggoley presented to the meeting seeking feedback on any suggested changes to the ActewAGL Distribution Customer Charter, including how easy the Charter is to find and whether it is in a format that is useful. The Charter is currently being updated as part of the process of submitting for ISO 9001 reaccreditation which is due at the end of the year.

Discussion:

- It is important that the Charter is easily accessible by the community.
- It needs to communicate in a language that is simple and easy to understand, with links to relevant third-party websites as required.
- There should be an appropriate balance between the level of detail and the need to provide information, so that the Charter does not become overly technical.
- Images or graphics may help to explain items.
- The Charter should consider pre-customers, ie those seeking to connect to the network. They are currently not covered by the Charter.
- Access to premises needs to note the detail of the options available to customers, such as a scheduled time is available if required, rather than the standard broad timeframe.
- Recognise that the Charter may only be referenced by the customers when they are in need of assistance, so ensure that it can be found easily at such times. For example, provided by the customer support staff when contacted by customers on the phone.
- The Charter should explain the relationship between Distribution and the Retailers. Perhaps also consider the relationship with Retailers' Customer Charters.
- Consider options to promote the Customer Charter, such as advertising, social media etc.

7 Regulatory Matters

Ms Emily Brown, Regulatory Pricing Manager, ActewAGL, introduced the presentation on the Electricity Network Plan 2019-24. She provided the following:

- Update on consultation undertaken to-date

Ms Fiona Wright, Primary Assets Manager, ActewAGL, presented on the following:

- Operational and capital expenditure
- Reliability and cost trade off
- A case-study on ActewAGL Distribution's approach to maintenance and long-term implications of maintenance strategies.

Ms Helen Leayr facilitated a discussion by the ECRC members as input to the development of AAD's five-year plan.

Discussion:

- Technology presents many unknowns with respect to long term planning. The case-study referred to 2070, this was considered too far away to influence current thinking as technology is likely to change significantly between now and then.
- Safety is an important consideration when planning maintenance programs.
- It is important that ActewAGL Distribution consider the carbon neutral goals of the ACT Government and the potential impacts of achieving this target on the network.
- Consider the energy efficiency goals of industry and seek opportunities to work directly with larger customers and the business sector to help businesses achieve these goals.
- Perhaps there are ways ActewAGL Distribution can help increase energy ratings of customers through things such as the light-bulb replacement programs, capitalising on new technology etc.
- It is important that ActewAGL Distribution continue to reward customers for their improved energy efficiency.
- With respect to ActewAGL Distribution's approach to maintenance, the ECRC suggested ActewAGL Distribution should be mildly reactive, avoiding any 'gold-plating', while focusing on areas of increased cost and taking the opportunities that technology may present to be more cost effective.

Mr Dennis Stanley, Branch Manager, Asset Strategy, ActewAGL presented on

- Capital expenditure
- Future constraints on the network
- Emerging technologies
- Impact of new technologies (such as roof-top solar generation)

Ms Helen Leayr facilitated a discussion with the ECRC to gather feedback on how AAD should respond to future constraints on the network, impacts of emerging technology in the next 5 years (such as significant increase in rooftop solar) and ActewAGL Distribution's approach to technology in the longer term.

Discussion

- Seeking solutions to network constraints through technology should be a priority.
- Technology-led disruptions should not be under-estimated, as the commercial viability of new technology can change very quickly.
- There is a role for ActewAGL Distribution to consider influencing regulations, to allow appropriate response to technology changes. For example, in some instances there may be a role for AAD to become a generator.
- It is important that the cost of new technology and the impacts on the network are shared equitably across customers. Retrospective charges to customers should be avoided.
- It was suggested that the ACT was in a unique position, where investing significantly in future maintenance or new technology doesn't significantly increase costs to the consumer, due to the regulatory framework.

Ms Emily Brown, Regulatory Pricing Manager, ActewAGL presented on the network tariff reform and development of the new Tariff Structure Statement. This included:

- Network tariff components
- Cost reflective tariffs
- Critical peak tariff

Ms Helen Leayr facilitated a discussion to gather feedback from the ECRC on ActewAGL Distribution's approach to introducing more cost reflective tariffs.

Discussion:

- Interest in peak demand tariffs depends upon the ability of customers to change energy usage and the financial reward associated with that change.
- Metering is a key component of cost reflective tariffs being effective. This needs to involve the retailers and their approach to encouraging smart meters. Impacts on vulnerable customers and renters should be considered.
- Perhaps consider partnerships with retailers, or the government, to focus on upgrading meters in public housing and other vulnerable customers first. Connections could be made with government policy in this area.

Ms Brown confirmed that comments on the Discussion Paper *Priorities for the ACT Electricity Network – 2019/24 five-year plan* will be received until 31 August. ECRC members were encouraged to provide written feedback.

8 Other matters

ECRC survey

Ms Leayr advised the meeting that she would shortly be distributing an online survey for members of the ECRC to provide feedback on the ECRC meetings and general process as a form of 'health check' to allow for continual improvement.

9 Draft post meeting communique

The following matters were noted for inclusion in the Communique

- Retail Prices presentation
- Customer Charter discussion
- Regulatory Submission and five-year plan discussion

10 Next meeting

It was suggested that a guest speaker from Queensland Council of Social Service be invited to present to the next meeting on some of the work they are doing for vulnerable customers.

Next meeting - 11 October 2017

11 Meeting close

Mr Williams closed the meeting at 12:05.