

Evoenergy Energy Consumer Reference Council (ECRC)

Meeting 24 Minutes 13 June 2018, 09:30am -12:30pm

Evoenergy, Corner Anketell and Oakden St, Tuggeranong

Attendees

Allan Williams (Chairman)

Glenys Patulny

John Sullivan

Michael Hopkins

Kevin Cox

Susan Helyar

Hamish Sinclair

Nicholas Simoes da Silva

Louise Benjamin

Tuggeranong Community Council

Australian National University

Master Builders Association

Gungahlin Community Council

ACT Council of Social Service

Canberra Urban and Regional Futures

ACT Youth Advisory Council

Consumer Challenge Panel, Australia Energy Regulator

Guests via phone-conference

Slavko Jovanoski

Oliver Derum

Australia Energy Regulator

Energy Consumers Australia

Evoenergy

Dennis Stanley

William Yeap

Emily Brown

Chris Bell

Giuliana Baggoley

Rowan McMurray

Ricky Martin

Chris Dare

Alexis Hardin

David Graham

Andrew Gillies

Alison Davis

Helen Leayr

Lina Blair

Karonny Fok

Senior Branch Manager, Network Asset Strategy & Planning

Manager, Gas Networks

Manager, Regulatory Pricing

Manager, Electricity Regulatory Pricing Review

Consumer Engagement Manager

Principal Demand Side Engineer

Strategic Account Manager

Manager, Environment Quality and Systems

Manager, Regulatory Finance and Strategy

Director, Regulatory Affairs and Pricing

Senior Communications Officer

Manager Energy Markets and Contact Centre

Consumer Engagement

Consumer Engagement

Senior Regulatory Analyst

Apologies

Ron Thompson

Nick Clarke

Adina Cirson

Canberra Business Chamber

Engineers Australia, Canberra Division

Property Council of Australia (ACT)

Papers distributed prior to the meeting:

- Agenda meeting #24

1 Welcome and introductions

The Chairman, Allan Williams welcomed new members to the Council; Mr Hamish Sinclair from Canberra Urban and Regional Futures and Mr Nicholas Simoes Da Silva who represents the ACT Youth Advisory Council, a 15-member council representing youth in the ACT developing priorities for youth employment, health and well-being.

Mr Williams also shared that Giuliana Baggoley has been appointed as Consumer Engagement Manager for Evoenergy. She heads up a new section with a focus on consolidating all consumer engagement and strategic account management.

Council members were introduced to Evoenergy's guest, Ms Louise Benjamin from the Australian Energy Regulator's (AER's) Consumer Challenge Panel which works with the AER in ensuring long term interest of the consumers.

Mr Williams also welcomed guests on the phone, Mr Slavko Jovanoski from the AER and Mr Oliver Derum from Energy Consumers Australia (ECA).

Apologies were noted.

2 Review and ratify the Minutes of Meeting 23

There were no amendments, or omissions from the previous meeting's minutes and therefore minutes of meeting 23 were confirmed.

Mr Williams referred to the discussion at the last meeting regarding the expansion of ECRC membership and noted that the ECRC membership 'wheel' diagram will need to be updated.

3 ECRC member updates

This item was deferred to the end of the meeting.

4 Update on the ACT Climate Change Strategy Evoenergy Submission

Mr Chris Dare, Environment Quality and Systems Manager, updated the meeting on Evoenergy's submission to the ACT Government Net Zero Emission Strategy. A copy of the submission was made available to the ECRC and can be found online.

As part of developing the submission Evoenergy undertook community consultations that included at a previous ECRC meeting, met with the Energy Policy Forum which includes ACTCOSS, the ACT Conservation Council, SEEChange and Canberra Business Council Small Business Taskforce. In addition, Evoenergy also presented at the Inner South Community Council and Mr Michael Costello, Mr Glenn Pallesen and Mr David Bellew also briefed and presented to the ACT Cabinet.

Evoenergy believes there is growing awareness of the potential for hydrogen-based energy solutions.

Mr Dare also updated the meeting on a partnership between Evoenergy and Greening Australia on a tree planting farm in which the community can participate. A fund of ten thousand dollars (\$10,000) has been allocated in the next financial year for an event such as a World Tree Planting Day aimed to be this coming July and another ten thousand dollars for community groups to tap into, to organise their own tree-planting event.

Q: How do we address the impact of energy costs on vulnerable customers and consider ways to help them with the costs of re-fitting and replacing appliances should the gas network be converted to hydrogen?

A: Evoenergy will look to industry to help resolve these issues, including the property development sector, Master Builders Association etc. Evoenergy will continue to seek guidance from ECRC members on the best areas on which to expend energy with respect to assisting transition over time.

ECRC members are encouraged to consider the submission and give further feedback on this topic via email to Evoenergy's consumer engagement team.

5 Regulatory matters – Evoenergy Regulatory Determination 2014 – 19 Remittal

Ms Alexis Hardin, Regulatory Finance and Strategy Manager and Mr David Graham, Director of Regulatory Affairs and Pricing outlined Evoenergy's draft proposal to the AER with respect to the 2014-19 Remittal.

It was noted that in 2015, Evoenergy appealed the AER's determination for the 2014-19 regulatory period to the Australian Competition Tribunal on a number of matters, with the AER subsequently appealing the Tribunal's decision to the Federal Court. Evoenergy's proposal seeks to resolve the matters in dispute in a manner that is in the long-term interests of consumers.

While Evoenergy estimates that the value of the Court decisions at \$124 million, its remittal proposal limits the additional revenue to \$26 million above the AER's original decision, delivering a benefit of \$98 million to consumers. Evoenergy expects to recover this amount by the end of the current regulatory period, requiring no further increases for standard control services in the 2019-24 period as a result of its proposal.

Evoenergy sought feedback from ECRC members on the remittal proposal and will engage directly with a number of consumer groups to gather further feedback.

Ms Louise Benjamin from the Consumer Challenge Panel noted a preference for a fast resolution of the 2014-19 proposal to avoid it overlapping with consideration the 2019-24 regulatory proposal.

There was a general support for Evoenergy's proposal from the ECRC and it was agreed that the ECRC will prepare a formal letter in support of Evoenergy's proposal.

Mr Jovanoski and Mr Derum thanked the ECRC and ended the phone-conference at 11:10am.

6 Regulatory matters – Update on 2019-24 Regulatory Proposal and Proposed TSS

Mr Chris Bell, Electricity Regulatory Pricing Review Manager, updated the Council on the 2019-24 Regulatory proposal which was submitted on 31 January 2018.

He explained the timeline of the submission process. The next step is for the AER to publish a draft decision sometime in September with Evoenergy subsequently lodging a Revised Regulatory Proposal responding to any issues that are raised by the AER. The AER will then assess the revised proposal and other submissions and make a final determination.

Evoenergy is proposing an additional phase of consumer engagement between May and September this year to consider issues that may arise from the AER's draft determination and will therefore need to be considered as part of a revised proposal.

Consumer engagement on EN19-24 proposal

Ms Giuliana Baggoley, Consumer Engagement Manager, presented the proposed second phase of consumer engagement strategy on the 2019-24 Regulatory Proposal which suggests undertaking a deep dive or deliberative process. It is proposed that a deep dive would be undertaken on the general topic of technology and its impacts on the operation of the network and services delivered.

Invited participants will be provided with a range of information in advance of the discussions which will allow them to reflect on their views ahead of the engagement. Evoenergy acknowledges the importance of these discussions and views of experts, especially on complicated issues.

Feedback from the ECRC included:

- Suggestions on how to attract more participants, including some form of random selection.
- Noting that participants who have already been engaged in similar topics through the ECRC or previous workshops would already have some knowledge and understanding of the subject matter which would be useful.
- There should also be experts who are not from Evoenergy participating in the deep dive.
- The importance of consultation in the form of deep dives on key topics, as well as continued broader consultation on customer values, to understand what customers want from their energy network.

Ms Benjamin suggested that representatives of the AER be invited to attend. The AER wants networks to ensure they have considered all non-network solutions.

7 Briefing on internal gas meters in the ACT

Mr William Yeap, Gas Networks Manager, gave a presentation on the ACT Utilities Technical Regulator's (UTR) proposed new code to inspect and relocate internal gas meters within approximately 1368 Canberra homes, mostly in apartment blocks. These are gas meters that were installed prior to the current code which prohibits internal gas meters.

The proposed code requires all internal residential meters to be relocated before the end of their 15-year service life and for Evoenergy to implement a regular inspection program. All inspection and relocation must not incur a direct cost to the affected customers. The UTR proposes to send a letter to affected customers with information regarding the risk and that inspection is to be conducted.

Evoenergy is exploring alternative options to the proposed code and is interested in understanding the options to encourage increased adoption of gas within apartment complexes in the ACT. It was noted that internal gas meter installation in high rises is accepted in numerous jurisdictions in Australia.

Evoenergy is seeking feedback from customers on the issue of the proposed change and is currently in formal discussion with the UTR. Members of the ECRC noted that alternative proposals to the proposed new code are unlikely to be accepted by the UTR. The ECRC expressed interest in continued discussion on this matter.

8 Distributed Battery Survey

Council members were briefed on Evoenergy's online survey on battery storage and future network technology which will conclude on Monday 18 June. The survey is seeking to understand the barriers to ACT residents installing solar panels and associated batteries, and any potential for these batteries to form part of a future distributed energy storage solution. After a week and a half, there have been 270 responses of which 5% already have home battery systems.

Information gathered through this survey will be discussed further through a series of focus group sessions.

9 Other matters

Due to time constraints, other matters such as the Canberra Times letter to the editor on demand charges were not addressed.

10 Draft of post-meeting communique

Presentations and associated discussions were noted for inclusion in the Communique.

11 Next meeting – 8 August 2018

Mr Williams thanked members who attended and closed the meeting at 12:45pm