

Evoenergy Energy Consumer Reference Council (ECRC)

Meeting 27

Minutes February 13 2019 9.30am

ActewAGL House

Attendees

John Sullivan	Australian National University
Adina Cirson	Property Council of Australia (ACT)
Glenys Patulny	Tuggeranong Community Council
Kevin Cox	Gungahlin Community Council
Chander Khera	Council on the Ageing (COTA)
Prof Barbara Norman	Canberra Urban and Regional Futures (Director)
Allan Williams	Chairman
Michael Hopkins	Master Builders Association

Evoenergy

Leylann Hinch	Branch Manager, Asset and Network Performance
Emily Brown	Manager, Regulatory Pricing
Chris Bell	Manager, Regulatory Pricing Review
Giuliana Baggoley	Consumer Engagement Manager
Phil Deamer	Regulatory Affairs
Alison Davis	Manager Energy Markets and Contact Centre
Clinton McAlister	Branch Manager, Works Delivery
Stephen Devlin	General Manager, Evoenergy
Dennis Stanley	Branch Manager, Asset Strategy
Mark Trainor	Operational Performance Manager
Ed Gaykema	SME, Projects, Gas Networks

Apologies

Evoenergy

William Yeap	Manager, Gas Networks
Glenn Pallesen	Branch Manager, Customer Connections
Erin Chancellor	Evoenergy Brand and Communication Specialist
Kiera-Lee Barrett	Contact Centre Team Leader

ECRC

Susan Helyar	ACTCOSS
Rick Lord	Council on the Ageing (COTA)
Nick Clarke	Engineers Australia, Canberra Division
Ron Thompson	Canberra Business Chamber

Papers distributed prior to the meeting:

- Agenda meeting #27
- Draft Minutes ECRC Meeting #26

1. Welcome and introductions

ECRC Chairman Allan Williams welcomed members and guests.

Apologies were noted.

2. Review and ratify the minutes of meeting 26

The date of meeting 26 was corrected in the minutes and no other amendments were made. The minutes of ECRC meeting 26 were ratified.

3. ECRC member updates

- Gungahlin Community Council's first meeting of the 2019 is scheduled for the evening of February 13th and Evoenergy will be among guest presenters, speaking on recent (and upcoming) projects to strengthen the network of the Gungahlin district, and about the Evoenergy / CIT Hydrogen project.
- The ECRC congratulated member Glenys Patulny on recently receiving a Medal of the Order of Australia in the 2019 Australia Day honours.
- The ECRC recently submitted a response to Evoenergy's revised regulatory proposal, to the Australian Energy Regulator, and it can be viewed on the AER website alongside other third-party submissions. Chairman Allan Williams drafted the ECRC submission. Allan noted the submission from the Consumer Challenge Panel and that it was complimentary of the ECRC as a valuable part of Evoenergy's consumer engagement.
- Allan reminded members where possible to invite a proxy to attend ECRC meetings if they find the timing difficult.

Evoenergy General Manager Stephen Devlin provided a review of the summer for ECRC members, calling it significant as expected for the NEM, noting constraints in SA and Vic and that the NSW ACT faced risks to interconnections from Victoria as a result of bushfires. Temperatures have repeatedly hit 40 degrees and power stations have had capacity limitations at times. There have been two to three occasions where a lack of reserve (LOR) warning has been called. Evoenergy conducted a test of our virtual power plant (VPP) engaging 600 residential batteries to explore reduction of peak demand outside optimal solar generation periods. Stephen observed that, compared to previous years, there are more events occurring across the NEM and the balance between supply and demand is tightening.

ECRC members asked about the success of the trial and the capacity of the VPP. Capacity sits around 3MW and the trial provided good insight into future deployment and management of our VPP.

Stephen also commented on the significant growth in residential solar and that all new subdivisions will have solar incentives (single premise). Consequently voltage issues present across the ACT; we have started to manage voltage levels at substation level which is good. ECRC members were interested in this within the broader context of a decarbonised society and network management.

Lastly, Stephen discussed the outage that affected a few thousand residents and businesses across the ACT the previous evening. A nailed wooden pole snapped when struck by vegetation that fell because

of extreme weather across Canberra. Crews worked hard into the early evening (and continued work to restore connection to final residents and businesses that morning).

Glenys Patulny asked about ACT solar farms, whether any have battery storage and whether this was a reasonable idea. Regardless of whether the solar farms are generating what may be considered excess energy there are inadequate incentive levels to encourage this.

4. Regulatory Affairs

Mr Chris Bell, Manager Regulatory Pricing Review, updated the Council on progress of the 2019-24 electricity network regulatory determination. Evoenergy's revised regulatory proposal for the 2019-24 regulatory control period was submitted on November 29th 2018. The revised proposal can be viewed online at: <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/evoenergy-actewagl-determination-2019-24/revised-proposal>

Third party submissions to the Australian Energy Regulator (AER) on Evoenergy's revised have been published online and include submissions by the Consumer Challenger Panel, ECRC and Utilities Technical Regulator. Chris provided a brief overview of the main points covered in each submission.

The draft decision had three (3) placeholders - rate of return (ROR), tax allowance and productivity growth – awaiting decisions from the Australian Energy Regulator. These were industry-wide i.e. not solely relating to Evoenergy's submission.

Dennis Stanley and Chris also reported that Evoenergy met with the AER Board to discuss our submission and the placeholders.

AER final decision is required by 30 April.

The ECRC members noted the news that Paula Conboy, AER Chair, had decided not to renew her role for another term.

5. 2019 Aerial Inspection Program

Mark Trainor gave a presentation on Evoenergy's bushfire-prone area and pole top inspection program for 2019 and a drone LIDAR aerial inspection is commencing in the in southern area of the ACT. Evoenergy is one of the first DSNPs in Australia to employ drones for this purpose and on this scale and there have been no complaints from the community to Mark personally or Evoenergy.

Chander Khera (COTA) asked about the error rate in drone inspection.

Mark replied that there was 97% accuracy, and that the imaging is very advanced and we continue to work on data validation for accuracy. Getting it right the first time is the aim.

Chander Khera asked whether, for validation, a second drone flight would be necessary, but Mark replied that any defects noted will be personally verified/identified.

Evoenergy is spending time discussing and demonstrating the drone inspections with a Bonython group opposed to the use of commercial drones in airspace above their neighbourhood; this group is not opposed to the use of drones by Evoenergy as they appreciated the efficiency and safety aspects

of this work. An ECRC member reiterated this point following a conversation with the Bonython Against Drones (BAD) group members.

Mark also briefly explained the very rigorous process CASA enforces to explore and manage risk.

Glenys Patulny (TCC) asked for a newsletter piece to inform people in her District.

There were then more questions about Evoenergy's publicity/media on drones. Evoenergy is providing information on the Evoenergy website.

There were some remaining questions about noise and privacy concerns. Mark said the drones we use operate at 45dB at 25m – normal conversation level or lower. They are low speed, and compared to other systems it is operated slowly and more quietly.

6. Gas networks

Ed Gaykema provided ECRC members with a review and update on Evoenergy gas networks including the extent of the network, number of connections and trends in new connections and average gas consumption per connection. Ed also remarked upon impacts in the ACT including the ACT Government Climate Change Policy and the recent establishment of a greenfield community with no intention to provide gas connections to homes. Of particular note, Ed shared that –

- The network amounts to \$300m worth of investment in assets, and in excess of \$200m investment in appliances by commercial appliances.
- There is approximately 5000 km of pipeline in network: a huge amount of infrastructure covering the majority of ACT.
- Evoenergy gas networks is one of most reliable networks in Australia, valuable for times when alternate energy sources are required.
- 60% of ACT energy consumption in winter is gas.

Glenys Patulny asked about how a network can be decarbonised.

Ed replied that one method is to use biogas produced from organic matter. This has the benefit of not requiring any changes to appliances currently in use as it can be put straight in the network. The second is hydrogen and there is a lot happening around the world exploring and implementing hydrogen as an alternative fuel source.

Hydrogen can be put into gas network: today 5% can be added to natural gas without any impact, however approaching greater than 10% there are technical and economic issues that need to be addressed.

Professor Barbara Norman (CURF) remarked on a recent trip to Japan where she learned of their use of hydrogen. She asked about the density of hydrogen and impact on materials in our network (pipes).

Ed noted trials in the USA on some piping materials particularly PE that showed no changes. Testing Evoenergy is undertaking is not just about the pipe material but also the joining practices. Hydrogen

being a smaller molecule finds holes easier than natural gas. Evoenergy wants to continue to have a safe network with hydrogen introduction. We have enviable reliability and want to keep that.

Kevin Cox (GCC) asked for more information on biogas and its capacity to provide much of the ACT's energy needs.

Ed said that if he took 80-100% of organic waste in the ACT he could produce enough gas to provide 10% of our current winter peak usage.

Barbara Norman mentioned experiments across the broader region (beyond the ACT) on Biogas / waste-to-energy. Ed agreed, noting projects going on in Goulburn and surrounding regions.

Glenys Patulny asked about the waste management at Mugga and implications for waste management if biogas was more widely introduced. Ed said yes, as it reduces contamination and therefore is advantageous.

Adina Cirson (PCA) mentioned she has heard positive things from future Ginninderry residents who were at first wary of moving away from gas (could they continue to cook as they traditionally have done) who ultimately have been reassured that electricity can address their needs. Adina asked where there are other plans to trial no gas suburbs.

Ed acknowledged that there may be future suburbs that explore no gas in their development, but that the Evoenergy objective is to provide a gaseous energy source distribution option across the ACT.

Adina Cirson asked about the ACT Government timeline for phasing out gas completely. Ed said his personal vision is that by 2045 the ACT will have a completely renewable gaseous network.

Adina Cirson noted that in her role she has heard significant reluctance across the city for conversion but that, based on what she has witnessed across Europe, there would be a need for – and benefit in – greater education.

7. Consumer Engagement Update

Giuliana Baggoley, Consumer Engagement Manager, provided an update on recent and upcoming consumer engagement activities.

On February 27th Evoenergy is going to launch their Annual Planning Report (APR). Dennis Stanley provided some background on the purpose and value of the APR and how Evoenergy would like to promote the idea of collaborating with stakeholders and the community to identify innovative solutions to network management.

Giuliana asked ECRC members what they would like to know about the APR and what they thought attendees may wish to know at the launch.

Barbara Norman asked what kind of questions Evoenergy expects. And that she might ask about how Evoenergy is reaching out to current and future partners to create solutions. Integrated approach to development looking to the future.

Dennis agreed that's likely and what we would like to discuss. Other topics might include how the community can become involved, and referenced initiatives like the VPP.

Leylann Hinch reiterated that this is also predominantly an opportunity to engage more broadly and promote our work and collaboration.

Barbara Norman commented that there is also interest in redevelopment along Northbourne Ave. Is it a business as usual project or is Evoenergy pushing the edge?

GN21

Giuliana reintroduced the topic of the engagement program for the gas access arrangement revision, presented at Meeting 26. She circulated a handout and invited ideas and notes on how Evoenergy should engage, who must be engaged with, and what questions the ECRC felt people would want to ask.

Feedback was collected and will be reviewed out of session and incorporated into the GN21 Consumer Engagement and Communication Plan.

Consumer Engagement Strategy draft

ECRC members were given some excerpts of the current draft of Evoenergy's consumer engagement strategy. Their feedback was invited on the key elements of –

- Strategic goals, and
- Principles of engagement

Kevin Cox asked what Evoenergy means by engagement.

Giuliana replied that Evoenergy wants to form stronger relationships and all stakeholders.

Kevin Cox asked why this was important (to us).

Giuliana replied that we believe it results in improved business planning and work, and better experiences for consumers.

Phil Deamer remarked that engagement has the potential to move the organisation's thinking from what managers *think* to what consumers *want*.

Conversation followed on what Evoenergy would like to achieve from increased engagement.

Adina Cirson noted the importance of a two-way approach in the strategy; it should not read simply as what Evoenergy would like to have happen. There is opportunity to engage differently with industry and work beyond a transactional relationship with consumers.

Allan Williams reminded the meeting of the observation from the CCP in their AER submission that Evoenergy has increased consultation but not reflected this feedback in their work.

Barbara Norman built on this and spoke of ways she had seen organisations make feedback and subsequent action visible.

Member feedback is being collated post-meeting, will be incorporated into the strategy, and ECRC members will receive an update prior to publication of the strategy.

ECRC Membership

Giuliana then initiated discussion on the membership of the ECRC and the question of whether there was an 'ideal' mix in the ECRC membership. Discussion broadened to accessibility of meetings, resourcing and capacity of advocate groups and industry bodies, and bespoke engagement on specific topics i.e. tailoring efforts. Also perceptions of engagement levels of particular consumer segments. Members called upon their personal experience and experiences of their communities to provide input into planning. Members also raised the idea of being able to pass on more targeted topics for feedback to their constituents, reminding Evoenergy and giuliana to make use of them in this way whenever appropriate.

8. Matters Arising

Kevin Cox presented on behalf of Pre Power One Co-op. Pre-Power One Co-op made a submission to the AER on Evoenergy's revised proposal, and promotes community investment in distribution network infrastructure. They believe this will engage the community, reduce distributor costs and provide incentives to consumers.

There were no other matters raised.

9. Communique draft

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

10. Next meeting – number 28 – April 10th 2019

The meeting closed at 12.20pm

ACTIONS ARISING

Action	Owner	Due
Amend December minutes to reflect correct date (December not October)	Giuliana Baggoley	Corrected minutes published on Evoenergy website February 13 th . ✓
Evoenergy to share consumer engagement attachment from regulatory proposal with ECRC members for their information	Emily Brown and Giuliana Baggoley	Before next meeting, April 10 th ✓
Circulation of invitation to annual planning report launch to industry partners to promote (where appropriate) among constituents	Giuliana Baggoley	Completed February 14 th ✓
Provision of information for community council members to share in their newsletters	Mark Trainor and Communications (Jules to coordinate)	ASAP ✓