

Evoenergy Energy Consumer Reference Council Communique Meeting 34 – April 15 2020

The Evoenergy Energy Consumer Reference Council (ECRC) met on April 15 by videoconference.

Representatives from Gungahlin Community Council, Tuggeranong Community Council, Council on the Ageing (COTA), the ACT Council of Social Service (ACTCOSS), Engineers Australia, Better Renting, Canberra Urban and Regional Future (CURF), and Conservation Council ACT Region participated in the meeting. Members of the Australian Energy Regulator (AER) Consumer Challenge Panel (CCP24) attended as observers.

The following presentations and discussion occurred at the meeting:

Evoenergy Response to COVID-19; Evoenergy outlined its management of working arrangements and operations in response to the current global pandemic. Evoenergy is working to prevent the spread of COVID –19 throughout Evoenergy, and ensure safe and reliable energy supply to the ACT community. The presentation covered emergency and crisis management governance, responsive working arrangements for employees (office and field), social distancing and hygiene controls, and support of vulnerable customers. Evoenergy is conscious of wanting to tailor support to the ACT community in alignment with ACT Government support of business and residential customers. All scheduled, planned work criticality and customer impact is being scrutinised prior to determining whether to proceed.

Gas Networks Access Arrangement Review (GN21); Evoenergy presented an update of progress on the access arrangement review for the regulatory period 2021-25 (the plan). Public consultation on the draft plan closed April 2 and the community roadshow is also complete. Key themes of recent feedback were mostly related to the ACT Government’s net zero emissions by 2045 target, and affordability. This confidential presentation also covered indicative major components of the plan which is due to be submitted to the AER by June 30: bill impacts, capital expenditure and operating expenditure forecasts. Members asked questions about the regulatory asset base per customer values, the nature of particular forecast operating expenditure, bill impacts, and revised insurance premiums following the unusual start to 2020.

Evoenergy Pricing 2020-21; Members heard an electricity and gas network pricing review given Evoenergy submitted a pricing proposal to the AER in March that is awaiting AER approval. The review included what contributes to an energy bill: about 40% of an electricity bill is made up of network costs. Network charges comprise of distribution and transmission components to cover the costs of networks delivering electricity to households and businesses. Both of these components are increasing in 20/21. The AER regulates all of these costs.

The recently announced utilities network facilities tax (UNFT) freeze means Evoenergy will submit updated, reduced pricing to the AER for approval. The NER for annual price changes are founded in the 5 year reset. Prices will be published on the Evoenergy website within days of AER approval. Members asked about the UNFT freeze impact on individual bills including whether all of the benefit is passed on, and also about historical changes in pricing shown during the presentation.

Evoenergy Future Network Strategy; Members learned about the long-term approach Evoenergy will adopt in transitioning from an electricity distribution network services provider (DNSP) to a distribution system operator (DSO). Evoenergy spoke about the changing nature of the electricity grid, influenced by customers investing in infrastructure like solar panels and batteries. Members asked about regulatory frameworks around network innovation, and network capacity to evolve to meet changing energy flow and demand.

Copies of ECRC presentations are available at www.evoenergy.com.au/consumerengagement

The next meeting of the ECRC is scheduled for June 2020.

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