

**Evoenergy Energy Consumer Reference Council (ECRC)  
Meeting 35**

**Minutes 10 June 2.00pm  
Videoconference**

**Attendees**

ECRC

Allan Williams, Chair  
Geoff Buchanan, Council of Social Service (ACTCOSS)  
Kevin Cox, Gungahlin Community Council  
Prof Barbara Norman, Canberra Urban and Regional Futures (CURF)  
Nick Clarke, Engineers Australia, Canberra Division  
Helen Oakey, Conservation Council, ACT Region  
Minna Featherstone, Better Renting  
Jenny Mobbs, Council on the Ageing (COTA)  
Glenys Patulny, Tuggeranong Community Council  
John Sullivan, Australian National University  
Michael Hopkins, Master Builders Association

Evoenergy

Leylann Hinch, Acting General Manager  
Paul Wheatley, Network Services Acting Group Manager  
Alison Davis, Customer Delivery Group Manager  
Giuliana Baggoley, Customer Interaction Manager  
Erin Chancellor, Strategic Communications Advisor  
Bronwen Butterfield, Environmental and Technical Regulatory Manager  
Derrin Limbrick, Strategic Account Manager  
Bruce Hansen, Gas Networks Group Manager  
Chris Bell, Economic Regulatory Manager  
Gillian Symmans, Acting Group Manager, Regulatory Reviews

Guests

Robyn Robinson, Consumer Challenge Panel (CCP24)  
Mark Henley, CCP24  
Mark Grenning, CCP24

Apologies

John Knox, CEO ActewAGL  
Adina Cirson, Property Council of Australia (ACT)

Papers distributed prior to meeting

- Draft minutes ECRC meeting 34
- Meeting 35 Agenda
- Powered Up, bi-annual newsletter for customers registered for life support equipment

## 1. Welcome

ECRC Chairman, Mr Allan Williams, welcomed members and guests to the meeting. He noted apologies from Mr John Knox and Ms Adina Cirson. Mr Williams welcomed Minna Featherstone to her first meeting, representing Better Renting, remarking that it was good to have her attend as proxy for Mr Dignam. The contribution from Better Renting is appreciated and has given insight into areas we didn't have previously in the ECRC. Mr Williams also welcomed members of the Australian Energy Regulator's Consumer Challenge Panel.

Mr Williams also noted the news that Mr Peter Billing has been appointed the new General Manager of Evoenergy and will commence in July. It is hoped that Mr Billing will attend the August meeting.

Mr Williams wanted to make note of the significant contribution of Fiona Wright to the ECRC; not only during her term as acting General Manager of Evoenergy, but in earlier roles presenting from time to time. Mr Williams will send a note of thanks to Ms Wright.

## 2. Review and ratification of meeting 34 minutes

Mr Williams led a review of the minutes from meeting 34, reminding members that section two (GN21) remains confidential. There was interest in Evoenergy's continued response to COVID 19 and Alison Davis returns to provide an update. Regarding meeting 34 item 6 on Evoenergy's 20/21 network pricing, attendees had received a note from ECRC secretariat informing that that pricing had been approved by the AER and would be published on the website. Mr Williams also complimented Evoenergy on a great looking website that he felt is good from a consumer point of view. The minutes from ECRC meeting 34 were accepted and ratified. Because the minutes contained some confidential material, an abridged version would be published on the Evoenergy website ECRC meeting papers page.

## 3. ECRC Member updates

Mr Williams invited attendees to share any member organisation updates.

Professor Barbara Norman mentioned a project that she will be leading for six months, looking at climate change action being introduced in the ACT planning system; a climate wise built environment. It will conclude later in the year.

Glenys Patulny announced that the Tuggeranong Community Council had decided to cancel their annual Southfest for 2020, though they may hold some Christmas markets. The most recent Tuggeranong Community Council meeting heard from the Canberra business Chamber CEO Graham Catt who encouraged people to buy and support local.

Geoff Buchanan said that through their Energised Consumers project, ACTCOSS have been meeting monthly with the ACT Civil and Administrative Tribunal (ACAT) and ActewAGL Retail's (AAR) hardship team and Care Financial Counselling Service. Mr Buchanan said it's been really useful and enables ACTCOSS to monitor that situation (COVID-19) and do as much as we can to help alleviate negative outcomes from large winter energy bills. It has been positive for ACTCOSS to hear the work that AAR is doing including an exemption from the AER to move hardship and concession card holding customers onto better market offers: it is good to see some of the outcomes from the Evoenergy roundtable, and the ACT Government energy support fund come to life, giving discount vouchers from four major retailers.

Mr Buchanan said the ICRC Retail Electricity Price Investigation 2020-24 final report released last Friday made a welcome reference to making it easier to compare offers between retailers.

Ms Featherstone said Better Renting was surveying renters during COVID, and continuing to look at the healthy home focused on minimum rental standard. Better Renting has found that a lot of renters have had to cut back on utilities as they have to pay rent on a reduced income as a result of COVID-19.

## 4. Gas network 2021-2025 plan (GN21)

Evoenergy presented an update of progress on the access arrangement review for the regulatory period 2021-26 (the GN21 plan). Public consultations on the draft plan closed in April. The presentation reviewed the main themes of

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feedback Evoenergy received throughout the process to date. Some ideas for the next phase of engagement were tested with members who provided their input on proposed topics of engagement, activity format and principles, and who should attend and participate. Evoenergy will submit the GN21 plan to the Australian Energy Regulator at the end of June. The AER will take public submissions on the plan during July and August, before they publish a draft decision in November 2020. Evoenergy will submit a revised plan at the start of 2021.

Gillian Symmans told attendees that Evoenergy are still tracking to submit on 30 June or even a few days before, and that a consumer summary document will be submitted with the access arrangement proposal. Ms Symmans wanted to provide an update on where things are up to since the April ECRC meeting at which time Ms Symmans gave an update on the major components of the final plan before they were considered by the joint venture (JV) board. Now that has been signed off by the JV board and the plan is being finalised. Ms Symmans said that since April Evoenergy has looked at the full program of engagement, and attempted to consolidate that feedback into key themes. Ms Symmans encouraged attendees to read the plan once it is published and ask questions then.

There were four (4) overarching themes that emerged from consumer feedback: a responsible transition, environmental sustainability, reliability and affordability, and service. A lot of the feedback related to longer term concerns rather than just the coming regulatory period of 2021-2026.

Ms Symmans summarised the feedback given under each theme and broadly how it was incorporated into the plan.

She then said that her team is finalising the plan and post-submission the AER will invite public submissions. This doesn't have to be overly detailed, but any feedback you have would be valuable. Ms Symmans said she and her team would be happy to meet with any members to talk through the plan further. The next phase of engagement is August to October, then the revised proposal will be due in mid-Jan 2021.

One area that we are keen to discuss is our proposal to shorten asset lives on assets that usually have much longer lives than between now and 2045. This responds to the idea that assets might become stranded. There is some support for this, but feedback is mixed. In the ACTCOSS submission to our draft plan they asked us to explore this further. It's probably timely to engage stakeholders on the issues of shortened asset life on cost recovery and risk. Ms Symmans said she was keen to hear member thoughts, and that it would be important to involve the AER and ACT Government as well. She asked whether engagement should consist of two stages, the latter bringing in the AER and ACT Government, or whether everyone should have a seat at the table together to discuss options for cost recovery under a scenario where the gas network is phased out, with a focus on the shortened asset lives issue.

Mr Williams said his view was that opportunities for engagement may be limited but the biggest thing that has to be put out there is what the financial impacts are if the gas network was closed down in the ACT. There is mention that the consumer should not have to pay a huge cost of closing down the gas network, but of course the fact is if not the consumer, than the shareholders and ACT Gov will recover it and it'll end up back in your rates at some point. Some deep diving is necessary and I think throw it open to the consumers.

Professor Norman said she would support all of that or a broader conversation - yes we need to look at the cost but such a conversation coming from Evoenergy will need to be done sensitively, as it could easily be seen as insensitive and not impartially presented. Professor Normans said if Evoenergy wants to have the conversation and win trust of the community you need lots of perspectives represented.

Bruce Hansen asked why there might be the thought that Evoenergy would not be impartial, given that Evoenergy operates both electricity and gas networks and is merely transporting the energy that consumers use. Professor Norman intended no offence; it was an observation on the potential perception of Evoenergy's vested interest as a network distributor. There is confusion as well as potential mistrust, about the role of Evoenergy. It needs to be wide engagement on the topic of energy for the ACT.

Kevin Cox said he would be interested in attending such discussions.

Helen Oakey said it is important to have this conversation, and everyone needs to look at the costs of closing the network down compared to the cost of keeping the network open. We've talked about the cost of the investment that would be required from the electricity network if there was no gas network and we need to look at that. Be helpful to have an understanding for what it means for a company to write down an asset, and what that really means.

Mr Williams agreed there was a need for that finer detail.

Giuliana Baggoley asked Professor Norman, having mentioned the Climate Council, who else she thought should attend such an event.

Ms Oakey said there is a whole public policy element where the ACT government does need to come in from a public policy point of view and as a (Evoenergy) shareholder point of view. Other than that, those here today need to be included.

Mr Williams said what's good about the ECRC is that no one seems to just wear one hat; we bring together a broad cross section of representation and knowledge.

Nick Clarke said he would be interested in being involved. Also, he reminded everyone that with an election coming up, we need to provide some information to *all* parties. Mr Clarke said the Chief Engineer of the ACT should attend as this has a massive impact of what we do in the ACT.

Ms Baggoley asked Mr Buchanan is ACTCOSS had other thoughts on this idea or other topics or issues that we should visit during this engagement period.

Mr Buchanan replied that he is very supportive of this, as mentioned in the ACTCOSS submission. Some caution was advised in terms of how it's done, in terms of attendees represented, and explaining the options well, especially in regards to whether a fair and equitable distribution of risk would be achieved through the accelerated depreciation of assets. That cannot be explained properly without broader ACT Government context. A group like the Public Interest Advocacy Centre (PIAC) have already engaged in a similar process with Jemena. Ms Baggoley asked about any other nominated topics.

Mr Buchanan remarked that it is hard to separate some topics from others to a certain extent. Alignment to the climate change strategy is a key concern. The ACT Government needs to be in the room to help figure out what their plan is for the next 5 years compared to Evoenergy's plan.

Mr Buchanan also mentioned market expansion and the position of developers on brownfield development. He understands that there would be no rule stopping a developer in a brownfield site from building a high rise building and installing gas. Mr Buchanan asked what this means in the long term, what it means for potential retrofitting. There was a question about what developers are doing in relation to gas installation in large developments.

Ms Symmans said some developers are moving away from gas, but our expectation is that most developers will continue to use gas in brownfield developments.

Michael Hopkins said that the MBA understanding of high-rise apartments is that there is some hesitation to install gas, but not from lack of demand from buyers, but more for commercial and design reason. Consumer demand for gas is still there.

Mr Hansen said that changes to certain rules had made it difficult to place individual gas customer meters in high rise buildings, leading to a decline in natural gas cooking appliances inside apartments<sup>1</sup>, but most apartment buildings use central boilers for gas hot water. Electrical plant to achieve the same hot water output for high rise would use a much larger space – gas heating of this sort takes up less space. Developers aren't interested in using bigger space for plant rooms etc.

Mr Williams said the general consensus is that it's a great idea to deep dive or some other option. Explaining what it will all mean for the consumer.

Ms Oakey echoed what Mr Buchanan mentioned regarding apartments and footprint. Maybe another key stakeholder is the Property Council and also developer representatives. Ms Oakey said it was clear to her that to align with the ACT climate change strategy, we need to be off (natural) gas before 2045. But people are still being hooked up to the

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<sup>1</sup> Some anecdotal industry evidence in 2020 suggests that these rule changes have resulted in customers taking LPG cylinders and outdoor cooking appliances (wok burners) inside the apartments.

gas network, and may then need to replace appliances in just 5 years. It is going to be costly to take people off gas almost as soon as we've put them on it. The submission doesn't align with the ACT policy in that regard.

Mr Hansen reasoned that 2024 is when the ACT Government will have their plan laid out, and that this timing lines up with the commencement of our next access arrangement submission for the gas network.

Professor Norman considered what information she could circulate that informs on the significant community consultation work that took place over many years and informed the climate change strategy development. It's all documented on the ACT Government's climate change website; surveys conducted over a long period of time, consistently showing that 80% of the community support action on climate change. There is a strong commitment to social justice, but the environmental and cost benefits of getting off gas was factored into this decisions. Professor Norman said she'd like to see the conversation shift away from "We either have a gas network or we don't" – and that people should be educated on alternatives, like renewable hydrogen.

Ms Symmans concluded by saying that the plan attempts to address the network expansion issue, and Evoenergy has an obligation to connect gas customers where revenue outweighs cost. Ms Symmans warned members that they may not be able to hear full costs of future scenarios come the August meeting or deep dive: it will be about establishing some principles, rather than laying out expected costs as this will take some time and will evolve as information comes to hand over the coming years.

## 5. Energy Networks Safety Management System (ENSMS)

Mr Williams said that on 23 July 2019 he was invited to attend a workshop on a formal safety assessment and he understands this item is about compliance and safety and he found it a very interesting process.

Evoenergy Manager Environmental and Technical Regulatory Compliance, Bronwen Butterfield, presented on Evoenergy's development of an energy network safety management system (ENSMS). The ENSMS focuses on the safety associated with our operation and goes beyond just worker safety: it is a requirement of the technical regulation code and we need it in order to operate. Ms Butterfield said an ENSMS guide outlines how our framework was developed and the strategies that came out of this. The work culminates in an annual safety plan, which outlines what we need to do for the forward year. The ENSMS framework is aligned with other management frameworks in Evoenergy, we also have an asset and environmental management system for example.

Ms Butterfield walked attendees through a worked example of a bowtie risk analysis technique as applied to the ENSMS. As well as regulatory compliance there are Australian Standards that Evoenergy satisfies with this work and regular review.

Mr Clarke said he favours the bow tie risk assessment method and thought it was a good comprehensive process Evoenergy has adopted. Mr Cox agreed that it looked fantastic. He asked Ms Butterfield whether it was developed from scratch or whether Evoenergy could use other organisations' bow tie models.

Ms Butterfield said the bow ties look at our existing controls, but for visual representation we did draw on a consultant who has experience within the utilities industry and who helped develop Evoenergy areas of best practice. We didn't develop new procedures or controls, we just looked at what we had and put it through the risk assessment and saw what areas we needed to address.

Mr Clarke asked about the risk matrix that Evoenergy has and said it would be good for all the ECRC members to see the risk matrix and how it is applied. Ms Butterfield said she would share that. Ms Clarke asked about the sequence as well, to which Ms Butterfield replied that when a risk is examined the likelihood of occurrence is considered, as is the consequence of occurrence. Then all the controls in place to ensure that doesn't occur are examined. In Evoenergy's matrix there are different occurrence ranges, going to from rare, to possible, to likely etc., so we are trying to bring that likelihood down as much as possible.

## 6. Evoenergy Sustainability Strategy

Ms Butterfield presented again, on the early stages of development of an Evoenergy Sustainability Strategy. Her presentation outlined the potential Strategy categories and Ms Butterfield outlined potential goals and initiatives including waste management, demand management and non-network initiatives, and supply chain considerations.

She said that Evoenergy needs to be able to deliver customer value from this solution.

Ms Butterfield invited input, feedback on what you'd like to see in this strategy. She said she would happily take the feedback now or into the future via email.

Ms Baggoley asked whether the way the Strategy was (broadly) explained was clear and meaningful. Also whether some things should be prioritised.

Ms Cox said he thought it was a good clear presentation and he understands what Evoenergy is trying to do. He is interested in localisation of infrastructure and wants to think about it more before commenting further.

Ms Oakey asked to revisit the sustainable procurement initiatives and paid credit for doing that work on what Evoenergy can impact, that are within Evoenergy's scope to influence. Her concern is the bigger context - fossil fuel - Evoenergy parent companies are looking at expanding gas e.g. new gas fields in QLD. Ms Oakey wanted to request that Evoenergy communicate up about what's happening in the ACT, what long term sustainability objectives are, which could resonate nationally and in other consumer markets.

Ms Butterfield said a JV strategy exists that is more macro (compared with this relatively micro strategy) and Evoenergy is trying to focus on what we can do.

Professor Norman reinforced what Ms Butterfield said about cumulative impact - the national climate change research facility in Griffith has published some great research on this, and the Bushfire CRC has also done work on this. The conversation on cumulative impact is just getting stronger and stronger.

Mr Clarke urged interaction with the battery and solar panel area of ANU – if looking to diversify energy solutions, Evoenergy needs to look at the changing technology. An innovation area in the Strategy would be good too. Ms Butterfield agreed and said a dedicated team was working on this; the Future Networks Section. Mr Clarke reiterated that Universities could be tapped into more as well.

Mr Buchanan said he had heard of the community battery program in Jacka; as to the notion of sustainability, while this is environmentally focused he recommends making sure that there is a social lens applied to this as well, from an equity point of view – we want low income households to benefit from these improvements, not just high income.

Ms Butterfield agreed and said this is something that will be put in the suitability impact statement/score card that we will associate with our projects. It's also something we could look at doing with our network solutions – instead of a zone substation, thinking about what other technologies could we have.

## 7. COVID-19 Operational Update

Ms Alison Davis gave a presentation updating on Evoenergy's response to the global pandemic: Evoenergy is continuing to focus on the health and safety of workers and the community as well as ensuring continued safe and reliable energy supply to the community.

Ms Davis reminded attendees of the organisational emergency and crisis management governance, modifications to employee working arrangements, social distancing and hygiene controls, and support of vulnerable customers.

Evoenergy continues to consider each planned outage against a decision matrix to determine whether it should proceed; where we can't respond to decision matrix the criteria in a positive way, the work is postponed. Criteria have relaxed as students return to school and some people return to work.

Evoenergy have had their emergency management team stood up since the 3rd of Jan 2020 with only a few weeks stood down in between then and now. One of the critical efforts is maintaining momentum and managing fatigue for our workforce, and managing community interaction.

Field crews have been split into teams and geographically dispersed since 6 May. This will continue until at least 22 July as is on a second 12 week cycle. 60% office workforce are working from home.

Ms Davis referred to the increased conversations Evoenergy team have been having with customers registered for life support equipment, including a new bi-annual newsletter that was just issued by email (and which is being posted out in hardcopy as well).

Communication has been significant and Evoenergy has seen increased website views, especially related to planned works and outages, there has been month-on-month growth.

Evoenergy have continued to work through the AER expectations and we are committed to upholding those expectations.

Meanwhile the Australia Energy Market Commission has some proposed rule changes; one is related to the 5 minute settlement regulatory change, and that's about how electricity consumption is recorded, as well as a proposed rule change to defer retailer payments to distributors.

Planned outage decision matrix – been in place since March. We aren't really having to cancel or rescheduled planned work. Up until a few weeks ago, all 7 decision points remained unchanged. We have maintained our focus on critical health infrastructure. Network supply and safety specific to COVID-19 continue to be a focus, for example with our geographically isolate crews. What we have modified is our duration of outages, we weren't doing outages that were longer than 4 hours unless there was a critical need. We've moved that out to 8 hours, however continue to look at the risk and impact is of those longer outages proceeding.

Mr Buchanan said that based on conversations ACTCOSS is having, impacts are yet to seriously emerge in terms of issues for customers. ACTCOSS is interested in energy usage data to see how energy usage under COVID-19 compares to prior years and the size of bills that might be coming the way of customers in future.

Ms Davis agreed that we may not yet have seen the full impacts on residents and small businesses. The bulk of residential customers are on meters which are only read once a quarter. Without Type 4 (smart meter) data it is hard to gather that data.

Mr Hansen said that Leylann Hinch had attended the recent Australian Energy Market Operator pre-Winter Briefing. For gas, AEMO presented gas usage data at the bulk supply points for each state and territory jurisdiction for the recent period compared to the same period last year. In the three (3) Australian jurisdictions where residential customers represent a higher proportion of gas use (Tasmania, Victoria and the ACT) than other jurisdictions, there has been a significant increase in gas usage compared to this period last year: Tasmania is up by 15%, ACT by 9% and Victoria 6%. Mr Hansen also said that these three jurisdictions are the coldest and the period reported included the early cold snap in April.

For electricity, Mr Hinch said that there has been almost no change so far in the ACT. Commercial usage has decreased and residential has gone up, which balances each other out.

Ms Patulny asked about returning people to work. Ms Davis said the approach has not changed nor has it been entirely fleshed out however for now people are working in the office only when they have a requirement to do so. The Contact Centre and System Control teams have remained in office. Any transition plan will be aligned with government relaxation of restrictions and it would come in maybe around July. Executive are regularly communicating with employees to provide reassurance.

## 8. Matters arising

Nothing was raised.

## 9. Close

Mr Williams closed the meeting at 4:05pm.  
The next scheduled meeting of the ECRC will be 12 August.

## ACTIONS ARISING

Action	Owner	Due
Sharing a diagram of Evoenergy's risk matrix	Bronwen Butterfield and Giuliana Baggoley	Before August meeting
Agenda item on Open Energy Networks framework from AEMO and ENA	Giuliana and Eddie	For 2020 agenda