

**ActewAGL Distribution Energy Consumer Reference Council
Meeting 4 Communiqué, 18 March 2015**

The ActewAGL Distribution Energy Consumer Reference Council (ECRC) held its fourth meeting on 18 March 2015 at ActewAGL House, Civic.

Representatives from Master Builders Association, Engineers Australia, SEE-Change, ACT Council of Social Services and the Tuggeranong Community Councils participated in the meeting. Apologies were noted from the Property Council of Australia, Canberra Business Chamber and the North Canberra Community Council.

Mr Allan Williams opened the meeting, advising the key items for discussion at this meeting would be the Gas Access Arrangement (GAA) submission due 30 June 2015 to the Australian Energy Regulator (AER).

Presentations

The meeting was given four presentations which formed the basis for discussion:

- Update on Consumer Engagement and feedback received to-date on the 5 year Gas Plan
- Gas Business Operations further information – capital works planning, operational expenditure
- Efficiency Benefits Sharing Scheme
- Revenue requirements – revenue building blocks and price path 2016 - 2021

Copies of these presentations are available on the ActewAGL website at www.actewagl.com.au/consumerengagement

ECRC general discussion included:

Gas Access Arrangement consultation program

- It was noted that there were small numbers at the Monday evening workshop and currently booked for the Tuggeranong community workshop scheduled for Thursday 19 March.
- There continues to be confusion in the community about the different roles of ActewAGL Distribution and ActewAGL Retail and how these costs are reflected on energy bills. It was agreed that a simple way of explaining this needs to be an important part of all presentations.
- It is important for the ECRC to consider long term capacity building of expertise within the community sector to contribute to consultation discussions. It was noted that there may be models for this type of capacity development in other jurisdictions such as South Australia.

Gas Business Operations

- There was discussion about the relevance of ActewAGL's focus on increasing customer connections as a growth strategy and how this relates to declining per customer gas use and the long term energy solutions available to our community.
- It was agreed that it is important for the ECRC to explore the bigger issue of the best long-term energy solutions for Canberra and the impacts of future investment in infrastructure. This was something suggested as a future discussion for this group in the new financial year.
- ActewAGL should ensure that consideration of impacts of new technologies is reflected in its long term planning.

Efficiency Benefits Sharing Scheme

- It was noted that the gas business would be getting a benefit from the Sharing Scheme, while electricity had a negative efficiency which is part of the current discussion surrounding the draft electricity determination.

Gas Prices – proposed changes to service and tariff structure

- The presentation showed the anticipated decline in gas usage per customer and projected forward increase in customer base.
- Concern was expressed for the sustainability of a business model that was based on growing customers for a product that has a declining use. It was noted that the regulatory framework does restrict ActewAGL Distribution's ability to explore alternate products or business models, although some work was underway within the organisation, including partnering with renewable energy firms to undertake trials in the ACT. It was agreed this should be discussed further by the ECRC in future, outside the context of the Gas Access Arrangement.
- Three price path options were presented. The ECRC felt that there was not much difference between options 1 and 3. It was agreed that the preferred price path option was one that consisted of a steady increase in the price from year-to-year rather than sudden increases, followed by sudden decreases. (As presented this was option 3).
- More detailed discussion on the particular tariffs will occur at the April ECRC meeting.

The meeting resolved the following:

- The ECRC, in conjunction with ActewAGL, look at options for capacity building within the community sector to enhance community engagement in discussions such as the current consultation.
- It is a key priority after the Gas Access Arrangement for the ECRC to look at facilitating a broader conversation on the sustainable business models for energy supply to the ACT, including consideration across all energy sectors.
- The ECRC's position is to support proposed price path that followed the revenue requirement for steady increase from year-to-year.

The next meeting of the ECRC is scheduled for April 2015.

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