

# **Appendix K: ACTCOSS and Evoenergy workshop listening report**

Regulatory proposal for the ACT electricity  
distribution network 2024–29



Communication Link

FINAL

# ACTCOSS and Evoenergy Workshop

Listening Report

30 January 2023

# Background

Evoenergy has partnered with ACT Council of Social Services (ACTCOSS) to collaborate on better engagement with harder to reach consumers such as those from diverse backgrounds or on low incomes. Evoenergy has also undertaken to work with ACTCOSS to support stronger engagement with First Nations representatives.

As part of engagement to inform its 2024–29 Electricity Network Regulatory Proposal and Tariff Structure Statement, Evoenergy is actively engaging with Canberra residents and businesses to better understand their energy needs and expectations. Partnering with ACTCOSS has provided an important opportunity to host a workshop with consumer groups that may be disproportionately impacted by Evoenergy's planning and decision making.

This report provides a summary of the outcomes of the Evoenergy and ACTCOSS Workshop held on 17 November 2022.

## Workshop purpose

The workshop was a joint initiative with Evoenergy and ACTCOSS to engage with organisations who represent energy consumers in the ACT region who are on low incomes, culturally and linguistically diverse (CALD), experiencing disadvantage, or at risk of hardship.

The purpose of the workshop was to establish opportunities for representatives of these consumers to provide advice and feedback to Evoenergy, and actively contribute to the EN24 process.

The key objectives of the workshop were:

- To present the key themes and challenges faced by Evoenergy in energy provision in the ACT, particularly in the context of the 2024–29 Regulatory Proposal (EN24) and infrastructure required to enable the transition.
- To obtain the perspectives of harder to reach consumers through consumer representatives.
- To help Evoenergy identify consumers that are at risk of being negatively impacted by EN24, and to identify ways Evoenergy can assist.
- Clarify what further information and/or opportunities will be needed for consumers and their representative organisations to actively contribute to the EN24 process.

See **Appendix A** for a list of workshop participants and their organisations.

## Workshop approach

ACTCOSS managed the invitations for the workshop, using their networks to encourage a wide range of consumer representatives to attend.

The workshop, facilitated by Helen Leayr from Communication Link, was held online via Zoom. Evoenergy delivered a presentation to provide background information on the electricity network, the regulatory process and the energy transition challenges. This presentation was supported by additional information from Gavin Dufty from St Vincent De Paul who provided a vulnerable consumers perspective.

Participants were encouraged to ask questions and contribute to a discussion on the energy transition and important considerations for Evoenergy with respect to these harder to reach consumers.

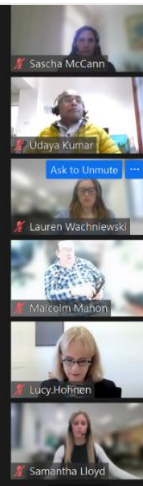


Following are some images from the workshop.

### Our electricity market

The diagram illustrates the flow of electricity through two markets. The **ELECTRICITY MARKET** includes Electricity generation, Transmission network, and Evoenergy distribution network. The **RETAIL MARKET** includes Metering and Retailer. The flow ends at 'Your home or business'.

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### Our network

17 Zone substations & switching stations	142,000 Gas customers	203km Transmission & access infrastructure	49,029 Street lighting	2,160km Low voltage distribution network	6 Major regulating stations
33 Power transformers	4,731km Underground gas pipeline	3,120km Distribution network	202,500 Electricity customers	4,670 Distribution substations	303km Gas direct pipeline
87 Gas direct pipelines					

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### Our five-year plan in the context of the energy transition

- We're heading into a decade of transformative action
- We need to forecast the investment needed over the 2024–29 period based on the information we have now but be flexible to adapt over this time.
- We need to carefully consider any investment we make:
  - What do energy consumers want and need?
  - What investment is going to best support all energy consumers?
  - What is the pace of change from a consumer perspective?

**PATHWAY TO NET ZERO**

2020	2025	2030	2035	2040	2045
ACT Government emissions reduction targets (from 1990 levels)	40%	50 to 60%	65 to 75%	90 to 95%	100%
EN 2019-24	EN 2024-29	EN 2029-34	EN 2034-39	EN 2039-44	EN 2044-49
GN 2016-21	GN 2021-26	GN 2026-31	GN 2031-36	GN 2036-41	GN 2041-46

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# Presentations

The workshop consisted of a series of presentations and discussions to gather feedback from all participants. Participant feedback is outlined below.

## Presentations

### Bronwen Butterfield: Evoenergy presentation – The future of energy

Bronwen delivered a presentation covering the following topics:

- An overview of who Evoenergy is, where Evoenergy fits in the energy market and a breakdown of customer bill components, showing the Evoenergy component as distinct from the retail and wholesale components.
- The energy transition away from fossil fuels (gas, petrol) to electricity - what is it, how will it impact the ACT generally as well as particular consumers. The presentation focused on the impact of the transition on infrastructure requirements. It was explained that Evoenergy has not previously had to consider providing energy to the transport sector and that the shift to electric vehicles will have a significant impact on how we plan and manage the electricity network as customers both shift off gas as a home energy source and towards electric vehicles as a transport type. The expected rate of uptake of electric vehicles (EV) was used as an example, showing the need for new infrastructure to manage the EV demand and therefore the additional cost to customers. The challenges that Evoenergy is trying to plan for as it prepares for the 'energy transition', including planning for infrastructure investment in a flexible way to respond to policy and market signals, and how to support different types of customers through the transition.

### Gavin Dufty: St Vincent de Paul – Consumer perspectives on the future of energy

Gavin provided a presentation on the key issues facing vulnerable consumers, the challenges that the energy sector and consumers are facing and some experiences from the draft proposal stage, particularly from the NSW networks.

- This period is a once in a lifetime transition in the energy sector going from an old energy market to a new energy market.
- With a distributed energy future everybody has a role to support each other, and we'll get there quicker and at lower cost/price impact if we blend our unique strengths, whether that be EVs or solar or optimising consumption.
- With network tariff reform, it's important to focus on consumer agency. How do we create platforms that allow people to have greater self-agency to take control of their own lives, and optimise their energy consumption and energy connection to suit their needs.
- There are direct and indirect ways to connect with consumers on the future of energy. Direct ways could include conversations with consumers on the management of planned and unplanned outages, conversations with culturally and linguistically diverse (CALD) communities, guaranteed service levels and conversations about resilient networks. Indirect ways could include conversations to set the foundations for the future such as tariff reform, consumer data and electrification.
- The approach to gas transition is an important aspect of the future of energy for vulnerable consumers. An orderly transition over time is important for both consumers and the electricity networks to manage demand, network load, and investment costs.
- The future of energy will see a move from traditional market frameworks such as those managed by the Australian Energy Market Operator, to more localised frameworks, including opportunities for cooperatives and community batteries. This can provide opportunities for resilience and can lead to reducing consumption and reducing costs.



# Participant feedback and discussion

## General comments

The following summarises the comments and discussion topics from workshop participants following the presentations.

### ██████████ – ACTCOSS

- The cost of installing smart meters is an example of the potential for cumulative costs to be borne by households, in particular low-income households. While it's a small amount on the bill, there's that cumulative impact of the transition happening across all aspects of the energy market. All ends up with the customer in one form or another.

### ██████████ – Energy Consumers Reference Council

- Noted that the current regulatory landscape makes it difficult for community or not for profit groups to establish energy cooperatives for things like community batteries or community cooperative solar projects. A community group has difficulty getting its voice heard and being able to talk to the right people due to a range of technical and regulatory constraints. For example, not for profit cooperatives can't get loans to fund community projects. Queried if Evoenergy should play a role in helping to facilitate this process for community-led initiatives.

### ██████████ – Council for the Ageing (COTA)

- These are very complex issues. Evoenergy needs to acknowledge and respond to the cognitive load on vulnerable groups who are potentially on fixed incomes, so also dealing with cost-of-living increases, the increases in and the introduction of new technologies and electricity options (solar, household batteries, EVs) in addition to having to navigate the complicated concept of tariffs.

### ██████████ – Canberra Multicultural Community Forum Inc.

- The whole process around energy is complicated. Many people are concerned about keeping the lights on or cooking and many may not even be interested in technology like EVs. Energy companies (retailers and distributors) need to play a role reducing the complexity particularly for CALD communities or those who don't have the information available to understand these issues.

### ██████████ – ACTCOSS

- Conversations around transition are very idealistic and not grounded in reality. We need to have explicit identification of consumers that are going to be negatively impacted and who are unable to shift their behaviours to benefit from things that are proposed. For example, Evoenergy's new tariff structure.

### ██████████ – Energy Consumers Reference Council

- One of the key issues for consumers and electricity networks is that the current system is designed as a competitive market. But in simple terms, what everyone wants, and needs is cheap, reliable power. And that's it. Consumers shouldn't have to compete with trying to figure out every day what the minimum cost is going to be. We want to work together to get the lowest possible costs. Consumers need Evoenergy to advocate for change on that basis.



## ██████████ - Care Financial

- We talk a lot about the responsibilities of retailers to educate and inform energy consumers in an appropriate manner - it would be great to hear about what they are actively doing. Particularly now as there are so many changes and more complications.

## ██████████ - ACTCOSS

- Evoenergy needs to better understand who its customers are. ACTCOSS would like to see more meaningful engagement with vulnerable groups. To much better understand vulnerable consumers who are impacted by their decisions.
- Retailers, Government and Evoenergy need to work better together so that we aren't just burdening consumers with more and more costs.



# Questions and answers

During the workshop, participants asked the following questions. Most questions were answered during the workshop, while some were recorded to pass on to relevant subject matter experts to consider.

**Q. Are you able to explain what flexibility means in actual terms, are you talking about maybe an investment buffer where you anticipate having to invest larger amounts of money that may not be spent? Is that what you mean by flexibility?**

A. It's about identifying the different scenarios that could occur in the future and being able to respond. For example, we have very recently developed a draft plan, right before we're about to release it the ACT Government announced major decisions about the phase out of gas, the introduction of electric vehicles and the phase out of being able to register or buy a new fossil fuel vehicle. Our model allows us to play around with scenarios, we can import that new data into that to tell us the extra work that we need to do to respond to increased demand, because it's going to happen sooner now than we had originally forecast. That's what I mean by flexibility.

**Q. What happens if the trigger doesn't appear with, for example, the intended investment that you will place into your proposal? Would that look like in terms of altering required revenue?**

A. That is a real challenge we face, when we plan a new project or customer indicates that they want to build something, or a new suburb is put in and we need to augment our supply to be able to deliver our power and allow connection. The assets that we're putting in the ground are based on a maximum demand that's calculated based on good faith with the customer and what they're planning to do, and also our own calculations about load. And then we design the assets to be installed to meet that forecast load, and as that's a 40-to-50-year investment, we need to size it right. Sometimes it could take a few years before the customer reaches that load so it's about really being open with our customers making sure that our customers are planning this carefully. By customer in this context I mean developers and estate planners because that's really where the large investment is coming from.

**Q. The majority of the people we represent will not have EVs or purchase an EV [at the very end of the transition]. So, how will Evoenergy make sure that the costs of this transition to EVs are not passed onto people on low incomes who don't benefit from the cheaper running costs of EVs (as well as them being loaded with additional costs because of the taxation of traditional vehicles)?**

A. We currently have a process in place where new EV customers are required to pay for the upgrade to the connection—so user pays. Similarly, if a developer requires an upgrade to accommodate EV charger they will pay for this directly. In terms of broader whole of network costs, under the national electricity principles, we are required to avoid cross subsidisation. We are proposing changes to the Demand and Time of Use tariff, to encourage customers to monitor their usage throughout the day. These are the tariffs we expect EV owners to be on. For example, over the evening period there would be a new Inclining Block Charge for customers on the time-of-use tariff. Customers who are looking to fast charge in a way that could add costs to the network, would incur a higher charge. This is an initiative we are proposing to ensure that all consumers don't have to pay for the network costs associated with EVs.

**Q. Has Evoenergy done any modelling to see where the investments to augment the grid to support consumer energy resources or solar and electric vehicle batteries, will result in overall lower prices for consumers?**

A. We are looking to propose the introduction of an export tariff for residential customers. In the AEMC final rule change from 2021 there is now the ability for network businesses to charge for export services. We believe this will start to address that equity issue. It is a step in the right direction for Evoenergy to charge customers for the use of the network when they're exporting just like we charge customers for use of the network when they're importing into their homes. It's going to be introduced on a gradual basis. The bill impacts are relatively small as a way to introduce the





concept of export pricing into the ACT. We think that this is a step in the right direction in terms of addressing that equity issue.

**Q. Would the inclining block tariff be specific to people with EVs?**

**For example, would people end up on the inclining block tariff because they have a large family (overcrowding in our public housing particularly in Aboriginal and Torres Strait Islander households) or people who rely on life-sustaining equipment.**

**A.** The inclining block tariff would not be specific to customers that have electric vehicles. Under the national electricity rules, we can't provide tariffs that are technology specific. But we do think that the sort of tariffs that we are looking to introduce would certainly include customers that have electric vehicles.

The inclining block charge threshold will be set in such a way that it's unlikely to impact typical families (without EVs). The data we have seen from electric vehicle fast charging, is that the sort of load it places on the network is quite significant in very, very short bouts of time, and that's not the way a typical household uses electricity, even a large family. So, it's unlikely that a large family (without an EV) would step into that second tier of the inclining block.

**Q. At present there is so much happening in the energy space (new technologies, EVs, solar and household batteries) combined with much of this sector being on a fixed income. It adds an additional cognitive load. In this context, what insights has Evoenergy been able to gain, particularly with respect to older Canberrans, about concerns around managing the impact of the transition including the introduction of new tariffs and understanding how they work. And what role does Evoenergy play in helping older Canberrans about their concerns with managing transition.**

**A.** In terms of managing transition and the introduction of new tariffs, one of the things Evoenergy is planning is a gradual introduction of new tariffs. In particular, export pricing will be introduced in a very gradual way. Evoenergy has engaged with several consumer groups on tariff changes and the ACT community was generally keen to get on with the transition to export pricing rather than delay it. In terms of the complexity on the transition, Evoenergy sees itself playing an important role in developing and delivering communication. However, for the end customer there's also an important role to be played by the retailers to explain how retail tariffs will be set up.

**Q. Will export tariffs lead to disincentives for the uptake of solar? Given the costs of solar installation, people on low income who are looking to uptake solar would be doing so to seek reductions in energy bills and increase self-reliance. How would this be considered in such a plan?**

**Q. Will export pricing disincentivise the uptake of rooftop solar, increasing the need for large-scale generation, or slowing the displacement of fossil fuels from the electricity network, and making customers more dependent on the network?**

**A.** One of the things that Evoenergy has heard from the community is that they were keen not just to see an export charge introduced, but to also see an export rebate introduced. So, this is a symmetrical tariff and there is an opportunity for exporting customers to gain a credit on their bill via a rebate. It's not just about a new charge. To give you some indication of the sort of price impact that we're looking, the charge alone, (the export charge). could be around \$20.00 per year. We don't consider that a big impost compared to the rest of the bill. We are looking at doing a gradual transition to export pricing because we do recognise that it is a very fundamental shift in the way that people think about electricity, and we don't want it to be a burden to them.

**Q. How much does a smart meter cost per customer? (costs passed onto the bill?)**

**A.** Smart meters are coordinated by the retailers, so it's passed through as part of the retail component of your overall bill. At the moment it's not specified on the bill as to how much the smart meter component costs.



## UNANSWERED QUESTIONS

**Q. A question on transitioning away from gas and the demand implications of that. Potential significant increases in demand when gas heating / hot water is removed and replaced with HVAC and Heat Pump hot water will have infrastructure impacts, what modelling has been done on that move and the timing?**

Our modelling includes assumptions on the rate of customers switching from using a combination of gas and electricity to using electricity only. Currently a large amount of total energy consumed is gas, especially in winter, so we expect the increased reliance on electricity will place additional demand on our electricity network and contribute to the need for additional investment over the long term.

**Q. Do we consider that technology like hydrogen fuel vehicles can overtake EV technology?**

Hydrogen vehicles are likely to play a role in the transport fuel mix, especially larger vehicles, however based on market signals we expect EVs to be more popular at least over the next decade.

**Q. How can Evoenergy ensure that people who are currently choosing to go without heating or cooling during extreme weather events due to cost impacts do not experience increased costs due to the proposed changes?**

Evoenergy encourages customers whose energy use is adversely impacted by energy prices to contact their energy retailer regarding concessions and other support options available.

**Q. Why haven't Hybrid vehicles been considered as a transitional arrangement to articulate to green energy?**

Evoenergy does not set policy about transitional arrangements to net zero, rather we respond to policy set by the ACT Government. In terms of technology, we understand that hybrid vehicles are a great option to reduce the use of fossil-fuels in transport and will play an important role in transitioning to electrification. Hybrid vehicles do not typically draw from the grid, and so are not explicitly considered in our network demand forecasting and planning.

**Q. My concern about export tariffs is that people may stop installing rooftop PV which may slow the displacement of fossil fuels from the network at a time when we need to be ending fossil fuel generation. I understand there are equity issues, but are there other ways of balancing network costs which encourage the uptake of rooftop PV and battery storage rather than discouraging it?**

The uptake of rooftop solar PV is encouraged by retailers, Federal Government and the ACT Government through solar rebates, incentives, and subsidies.

We're proposing to introduce export pricing in a measured and gradual manner to balance pricing objectives and consumer impacts, whilst managing increased demand on the network.

Our proposed 'solar soak' charge during the middle of the day, is designed to encourage the use of electricity to soak up solar that would otherwise be exported. We're also proposing a 'solar reward' to conversely pay for electricity exported during peak demand when it's most needed.

Our proposed cost reflective network tariffs will provide more opportunity for consumers to manage and optimise the network component of their electricity bill.

**Q. How about directing generation and storage investment into giving low-income households the rooftop PV and storage so that both they and the network benefit?**

This may be something Government considers in determining the necessary policy and incentives to support low-income households through the energy transition, however it is not Evoenergy's role to subsidise household-level investment.



## Overarching themes

The intent of the workshop was to obtain the perspectives of vulnerable consumers and to clarify what further information and/or opportunities will be needed to reach these consumers.

A review of comments from the discussions and questions and comments included in the meeting chat, identified the following consistent themes in terms of areas of concern, suggestions for Evoenergy, and general feedback.

### **Export pricing could be a disincentive to invest in solar**

- Some participants expressed concern that the introduction of an export tariff could act as a disincentive for consumers to invest in solar and other renewable energy technologies and could increase need for large generation or slowing the displacement of fossil fuels from the electricity network, making customers more dependent on their network.

### **Low income / vulnerable customers accessing renewable energy technologies**

- Not all low-income households are homeowners or able to invest in renewable energy such as solar PV or electric vehicles. It was suggested that the presentation and focus of the discussion was out of touch with the real issues facing vulnerable consumers.
- What role will Evoenergy play in ensuring that the costs of this transition to new technologies is not passed onto people on low incomes who don't benefit from the cheaper running costs of EVs (as well as them being loaded with additional costs because of the taxation of traditional vehicles)?

### **Complexity of tariffs and the regulatory process**

- The regulatory process and tariff structures are very complex. Evoenergy has a role to play in ensuring all vulnerable communities have access to simple information about network pricing and changing tariffs. It was suggested that it was not useful to only show the impact on prices for just the network component, because this doesn't show the full extent of the cumulative impact of small price changes across network, retailer and wholesale bill components, which in totality can have a significant impact on customers.
- We talk a lot about the responsibilities of retailers to educate and inform energy consumers in an appropriate manner—it would be great to hear about what they are actively doing. Particularly now as there are so many changes and more complications.
- Evoenergy could provide information in different languages for CALD customers.

### **Transparency and clear communication**

- Evoenergy need to provide more transparency about 'true costs' otherwise they will lose the trust of consumers regarding the transition.
- There are roles for Evoenergy, retailers, governments, and market bodies to play so it is important to be clear about what Evoenergy controls and can do in terms of equitable outcomes for energy consumers.
- Needs to be a clearer understanding of the financial and other constraints (e.g., cognitive load; household composition; housing tenure) faced by vulnerable households that impact on their ability to benefit from DER and to change their household energy use.
- Some short, accessible information sheets, guides, or other resources for consumers from Evoenergy could be useful to help people deal with some of the complexity of this and support their engagement.

### **Gas/electricity transition considerations**

- Concerns around increases in demand as we move away from gas.
- Need to ensure that there is more clarity and transparency about the true costs otherwise we are going to lose the trust of consumers about this transition.



- Many restaurants rely on gas for cooking. How do they transition away from gas in a way that doesn't impact their business including the quality of the food (taste) and cost.

### **Future engagement**

- Additional engagement with the Multicultural Community is needed to better understand their concerns, situation, preferences, so they can be considered in Evoenergy's planning. Madhumita Lyengar from the Canberra Multicultural Community Forum (CMCF) indicated she would be happy to help Evoenergy to design an engagement program with the Multicultural community.
- Consider developing different model options and scenario analysis to be presented in a simple non-technical way to community members.
- Broader engagement with First Nations consumers.
- There needs to be a consideration for renters who may not be in control of their circumstances around their power supply and choices. Renters may not be able to convince their landlords to implement or install these new power methods or move away from gas in a timely manner.
- Consider introducing proactive "case managers" assigned to take vulnerable households right through the process of electrification.
- Need a proactive plan from Evoenergy about structure and timeframes for closure of gas network.



# Conclusion

At the conclusion of the workshop, Evoenergy and ACTCOSS thanked participants for their contributions and frank feedback. Evoenergy noted that the feedback would be useful to inform their regulatory proposal, and also provide input to ongoing engagement with vulnerable groups.



## Appendix A – Meeting participants

Name	Organisation
<b>Presenters</b>	
[REDACTED]	Evoenergy
[REDACTED]	Evoenergy
[REDACTED]	Evoenergy
[REDACTED]	St Vincent de Paul
[REDACTED]	Communication Link
<b>Workshop attendees</b>	
[REDACTED]	Care Financial
[REDACTED]	Canberra Multicultural Community Forum Inc.
[REDACTED]	Canberra Multicultural Community Forum Inc.
[REDACTED]	Canberra Multicultural Community Forum Inc.
[REDACTED]	St Vincent de Paul
[REDACTED]	St Vincent de Paul
[REDACTED]	Council of the Ageing ACT
[REDACTED]	ACT Mental Health Consumer Network
[REDACTED]	Uniting Care Kippax
[REDACTED]	Woden Community Service
[REDACTED]	Women's Health Matters
[REDACTED]	Australian National University Student Association (ANUSA)
[REDACTED]	Uniting Care Kippax
[REDACTED]	CIT Student Association
[REDACTED]	ACT Government
[REDACTED]	St Vincent de Paul
[REDACTED]	ACTCOSS
[REDACTED]	ACTCOSS
<b>Meeting observers</b>	
[REDACTED]	ECRC – Tuggeranong Community Council
[REDACTED]	ECRC – Conservation Council
[REDACTED]	ECRC – Gungahlin Community Council
[REDACTED]	Consumer Challenge Panel
<b>Evoenergy meeting observers</b>	
[REDACTED]	Evoenergy
[REDACTED]	Evoenergy
[REDACTED]	Evoenergy
[REDACTED]	Evoenergy
[REDACTED]	Evoenergy
[REDACTED]	Evoenergy

