ISSUES PAPER – AER – Ergon Energy and Energex electricity distribution determinations 25-30.

## Questions on consumer engagement

1. Ergon & Energex's proposals may reflect consumer's affordability concerns but neglect a primary driver of those affordability concerns… and that is – the source of the energy. If Ergon and Energex offered retailers and therefore consumers a choice of renewable energy which was cheaper than non renewable energy – then that would be a better reflection of consumer's affordability concerns.
2. No, as above, Ergon and Energex have not chosen the key topics of climate change, renewable energy transition or community energy resilience to engage with consumers and to advise us what they are doing in these 3 x areas.
3. I am not yet sure, and will know after the forum and post event reports.
4. Yes, we would have preferred to see more detail in the over capex items – especially repex and fleet costs. If energy providers are forecasting to increase spending to replace existing energy infrastructure and diesel or petrol fuelled vehicles (instead of electric) – with statements such as reflecting legacy and historical expenditure – then we will not accept the capex increase in expenditure. If an increase in expenditure was showing an increase due to transition to renewable energy, this would be expected and accepted.

## Questions on forecast capital expenditure

5. AER's proposed approach to the expost review is appropriate, but should include more detail in capex items and strategy around capex investment with the goal to transition to renewables.
6. The forecast capex increase does NOT reasonably reflect the efficient costs of a prudent operator unless these increases include the transition to renewable energy systems, infrastructure, equipment and vehicles and is primarily repex – replacement of current infrastructure capital expenses.
7. Yes, what capex proposals forecasted are replacement of non renewable energy and what is renewable energy transition costs.
8. Yes, as stated above, the % of costs areas of renewable energy transition compared to legacy non renewable costs.

## Questions on forecast operational expenditure

9. No, the opex forecasts do NOT reflect the efficient costs of a prudent operator as the strategic direction of costs do not reflect the consumer need to transition to renewable energy.
10. No, the affordability concerns expressed in this report as reference do not reflect the climate change emergency we are currently facing.
11. This can be seen by the gross inadequacy of expenditure in any areas to do with the transistion to renewables. Eg. $ 14.6 million (or 0.6% forecast opex) is used for smart meter data to increase visibility, integrate more renewables and reduce asset replacement costs – these are 3 x key areas in the transition to renewables. But they are also 3 x key areas in the education of community in understanding their energy usage and costs and their ability to choose energy retailer providers and the sources of that energy. The comparison expenditure of these 3 x key areas of only 0.6% or $14.6 million compared to $914 million in Repex, $610million in Augex,( including $50million in resilience) and debt raising costs of $39.3million shows the strategic direction here.

    The term "resilience' is an interesting one to consider in Energex's terms – it would be interesting to understand what their definition of "resilience" is compared to the risks of climate change if we continue to use non renewables. Consumers are seeking a long term view of resilience, not just a short term connection need.
12. There are more details needed from Energex and Ergon in the areas of non renewable energy – and in fact, we would like this term used to define areas of expenditure – this would be more transparent to consumers.

    In comparison to the Repex and Augex above, only $56million was forecasted for DER capex – grid visibility and hosting capacity increases – described as a "medium paced investment scenario". I doubt whether any global insurer would agree with this statement of investment if global risk of climate change was included in the financial risk. In fact, I would urge AER to warrant the research of this financial risk (from Price Waterhouse for example) to investors. It is my understanding that the constraints currently experienced with incorporating DER need immediate and higher value in this CAPEX if truly reflecting the needs of the consumers.

    Further details regarding - Property CAPEX of $152million for non network property including leases referred to as "one off projects to address capacity constraints and condition-based assessments" is an interesting description – can there be further explanation here of what this is?

## Questions on Incentives Schemes

13. No, we do not agree as consumers to NOT be able to call someone who provides our energy and to whom we pay via our retailer.
14. Yes, AER should require them to apply the STPIS telephone answering parameter.
15. No.
16. If not applied, clear, transparent smart meter information of consumer's own meter and that of their LGA and or business, or strata title, should be easily accessible online via their retailer or with online chat customer service available.
17. Further incentives should be offered to communities, body corporate strata titles, large and small businesses, and residents to transition from non renewable to renewables eg. Community batteries

## Questions on Tariff statements

18. No
19. Yes

## Questions on metering

20. No comments on the cost recovery approach except to say that smart metering allows the consumer and community more transparency which is needed.
21. No feedback

## Questions on ancillary network services

22. Yes
23. Yes
24. Yes

## Questions on public lighting

25. Yes
26. Yes
27. It is clear from the stakeholder engagement that 100% wanted LED lighting by 2030 due to "Reduced environmental impact". What is not clear, is why this same stakeholder engagement driver of reduced environmental impact – has not been offered or mentioned in any of the major capex or opex forecasts above. By not including "reduced environmental impact, climate change or transition to renewable

energy” statements – Ergon and Energex are not being transparent with their consumers and stakeholders.