



Advisory Board Series Outputs Report

Jemena

—

May 2023

What's happening is massive change. It's upheaval at every level. Requires audacious decision-making to take account of what's happening around us. Understanding of the size of the challenge. Engage with the community meaningfully. People are worried about price increases. They're worried about climate change. Trust in the process. Build the buy-in and educate. Need broad map of trajectories. What's in Jemena's control.



Purpose

The purpose of the *Advisory Board Series Outputs Report* is to summarise the outputs of the Advisory Board's deliberation process. This report will inform and shape Jemena's customer engagement on response options for the 2025-30 Business Plan.

This report provides a process overview, outlines the Advisory Board Statement of Objectives, and summarises commentary on response options for Jemena to consider for further engagement with customers.

This work forms part Jemena's broader Gas Networks 2050 project to inform future regulatory plans, with other activities including the initial development of four plausible future of gas scenarios by an Expert Panel to inform this process, and economic modelling based on the drivers identified in the scenarios.

Intended Audience

The intended audience of this outputs report is the Australian Energy Regulator, as an attachment to Jemena Gas Network's Access Arrangement submission for 2025-2030.

Use of the report

Please refer to Inherent Limitations Disclaimer and Third Party Release included on page 21.

Role of KPMG

KPMG was engaged to support the facilitation of Jemena's Advisory Board series by:

- Advising on stakeholder engagement techniques for the Advisory Board and contributing to the development of Advisory Board presentation materials.
- Facilitating Advisory Board sessions to enable contribution from all members.
- Documenting Advisory Board sessions.

Jemena remains responsible for the session content.

KPMG's role did not include:

- Influencing stakeholder views.
- Advocating for or acting on behalf of Jemena.
- Providing advice on regulatory matters.
- Developing or presenting workshop materials relating to Jemena's Revenue Proposal.
- Expressing an opinion on or conducting an independent review of Jemena's actions.
- Fulfilling the role of preparing an independent consumer report as defined in *Section 3.4.2 Independent consumer support for the proposal* of the AER's Better Resets Handbook.
- Assuming decision-making responsibility on behalf of Jemena.

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Introduction

Gas Networks 2050 Background and Context

“What’s happening in the energy sector right now is massive change. It’s upheaval at every level [...] This is a really important discussion for Jemena [...] and preferences and choices of consumers need to be part of this decision making.”

Advisory Board Member

Jemena Gas Networks and the entire energy industry is operating in a period of uncertainty surrounding the future role of gas. The upcoming regulatory period 2025-2030 is likely to be highly scrutinised, presenting many challenges and issues for Jemena to consider and address in its long-term planning and next regulatory submission. Future scenarios of gas, as outlined by the Australian Energy Market Operator (AEMO) Integrated System Plan, suggest a future gas energy system in significant decline towards 2050 net-zero. It is anticipated that this could have significant and uneven effects on Jemena’s diverse 1.5 million customers in New South Wales.

Since Jemena lodged its 2020-2025 Business Plan with the Australian Energy Regulator (AER), there have been several changes to the Australian and global energy systems which may impact on that proposal’s success. As a result, Jemena is undertaking a Gas Networks 2050 project to consider these changes and issues in the development of the 2025-2030 Business Plan to be submitted to the AER:

- **Uncertainties that may reduce demand for natural gas** in the medium to long-term, including stronger emissions reduction ambitions at both the Federal and State levels and potential policy shifts.
- **Factors that may mitigate against falling gas demand** in the short to medium-term, including customer demand for natural gas and a lack of practical renewable alternatives in industry.

“Small changes are fine if you’ve got lots of time to do that, but really this requires audacious sort of decision-making to take account of what’s happening around us in this environment”

Advisory Board Member

To better understand and manage the needs, expectations and requirements of regulators, stakeholders and customers through this uncertainty, Jemena is delivering a program of genuine stakeholder engagement consisting of an **Advisory Board**, **Expert Panel** and **Customer Forums**.



Figure 1. Gas Networks 2050 key forums

Introduction (continued)

Jemena’s Advisory Board Series Overview

The **Advisory Board** was established to engage with a diverse range of stakeholders, including both industry and customer representatives, to explore the challenges resulting from the uncertain future role of gas networks. The Advisory Board functioned as a source of advice to collaborate, strengthen, and shape Jemena’s customer engagement approach for their next regulatory proposal for the 2025-2030 period, while maintaining a long-term view out to 2050. Rationale for the selection of the Advisory Board members is included in **Appendix A** (page 15).

A set of four plausible future scenarios was used by the Advisory Board to test Jemena’s possible response areas and filter specific response options for engagement at the **Customer Forums**. These scenarios were provided as an output of the Gas Networks 2050 **Expert Panel** forum. While these forums are separate in Jemena’s stakeholder engagement, the plausible future scenarios developed were a key input for Advisory Board deliberations.

Jemena’s Advisory Board Series Approach

“Trust in the process. And this is a good process.”

Advisory Board Member

Jemena’s approach to the Advisory Board series originally included eight sessions, commencing October 2022 through to April 2023, with the intention of ensuring participants could engage thoughtfully and informatively. To support the Advisory Board throughout the series, the sessions moved through a spectrum of engagement, including co-design in the initial pre-briefings and sessions, inform and consult during the deep dive sessions, and involve and collaborate in the later sessions and deliberative day, as shown in the Series Overview below in Figure 2.

Throughout the series, flexibility and adaptability were key engagement principles, and Jemena committed to work with the Advisory Board to design the agendas, and flex the approach and schedule as required, depending on the level of detail required for deep dives (Sessions 3 – 6). Jemena was responsive to feedback throughout the Series, introducing three opt-in sessions to provide more information on topics of interest, and extending Session 7 to a full day in-person.

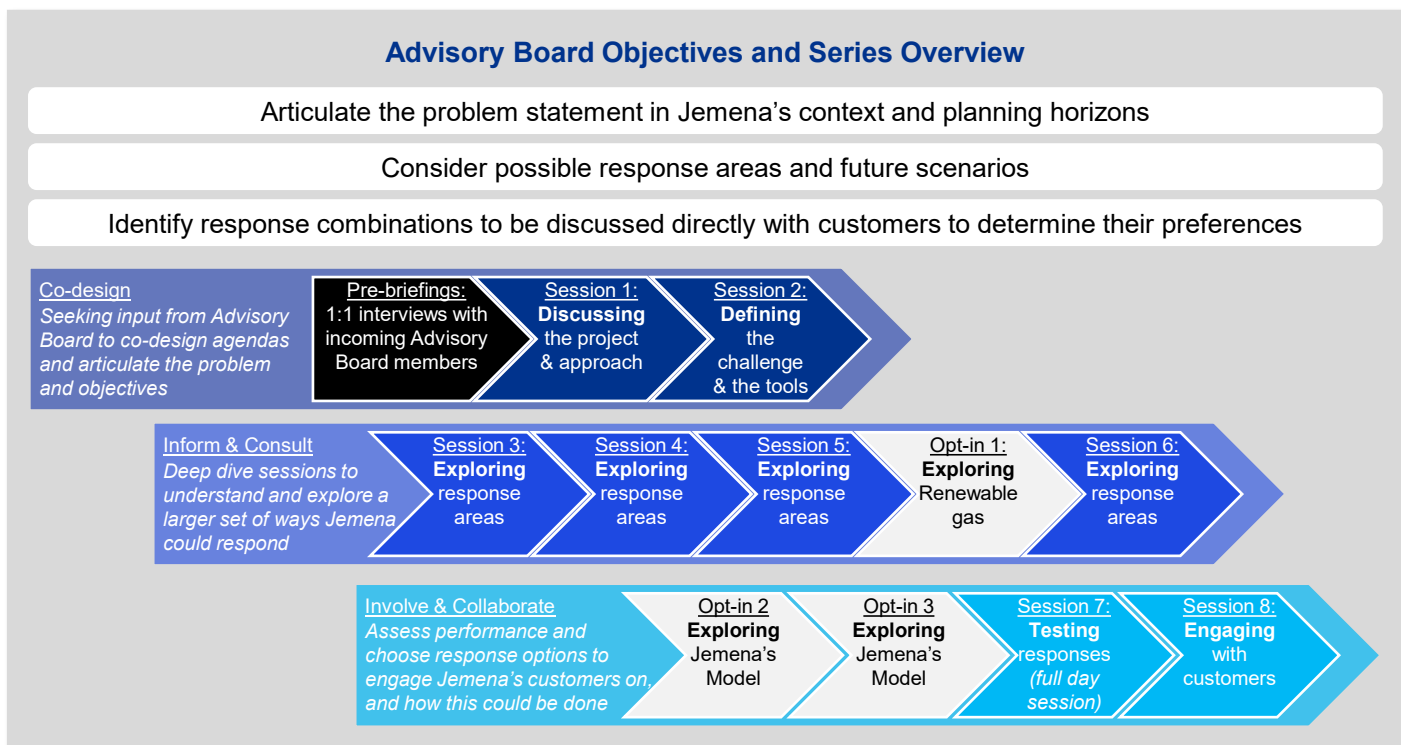


Figure 2. Advisory Board Objectives and Series Overview

Advisory Board Statement of Objectives

Advisory Board Statement of Objectives

In the context of an accelerating energy transition driven by community expectations and government emissions reduction policies, Jemena commits to being a trusted partner, delivering safe gas connection and transport services and meeting consumer and community expectations for:

1. Access to reliable and resilient services
2. Stability, affordability & equity in prices
3. A decarbonised energy supply
4. Fair returns and risk sharing on investments made by consumers and Jemena.

“The fundamental purpose of this group and its process is around helping Jemena to put together the questions, and material, and the program to engage with the community meaningfully to answer these questions.”

Advisory Board Member

Context and purpose of the Advisory Board Statement of Objectives

As part of the Gas Networks 2050 project, Jemena will review and explore a range of response options with customers to address uncertainty within the energy system and potential investment decisions.

Over the course of the Advisory Board series, members have developed a Statement of Objectives to guide how they will consider the full range of Jemena’s response options before providing advice to Jemena on which response options should be taken to customer engagement, and how to engage on each of these in the Customer Forums.

The Statement of Objectives had individual objectives that were:

- Capable of assessment or measurement
- Within Jemena’s influence or outlined by the outcomes in a given Expert Panel scenario.

The audience and user of this Statement of Objectives was the Advisory Board for its deliberations on 22 March 2023.

Co-design of the Advisory Board Statement of Objectives

The Statement of Objectives was developed through a co-design approach across the entire Advisory Board series.

The co-design process commenced during initial pre-briefings with each Advisory Board member, where early thinking and key areas of interest were captured and collated into a logic map. This logic map was presented for feedback in Advisory Board Session 1, and then reviewed and refined iteratively into a draft ‘problem statement’ over Sessions 2-5, with examples shown alongside.

Member feedback was thorough, ranging from the core concepts included, to the specific language used. It was agreed in Session 6 to shift to the terminology of ‘Statement of Objectives’ rather than ‘problem statement’ to better reflect the content of the statement moving into Session 7.

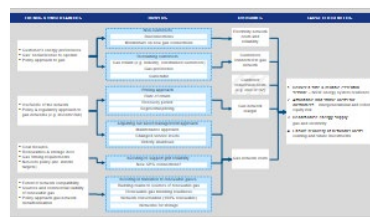


Figure 3. Example of iteration of logic map

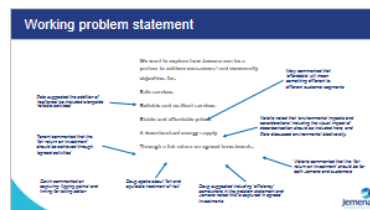


Figure 4. Example of iteration of working problem statement

Advisory Board Statement of Objectives (continued)

Co-design of the Advisory Board Statement of Objectives (continued)

To reach a final resolution on the Statement of Objectives to be used in the deliberations, the Advisory Board cast a vote against two versions put forward to members.

The unsuccessful option, which contained less preamble and did not include risk-sharing in relation to fair returns, received two votes. One member remained neutral, while the successful Statement of Objectives as shown on page 7, received a majority of six votes. As there was a clear majority, the Advisory Board Chair did not exercise their vote.

“It is important to include the consumer in the statement.”

Advisory Board Member

Divergence on the Statement of Objectives:

- One member who voted for the unsuccessful option shared they believed the other option was not practical and sharing risk is an independent point that should not necessarily be associated with investment for Jemena and their customers.
- The other member who voted for the unsuccessful option shared that they felt this option was likely the easiest to assess against and would capture the Advisory Board’s concerns of trade-offs and risks in the upcoming deliberative discussion.

“The share of risk – however we want to recognise risk – actually does apply to most of the criteria, and so it should be a separate criteria in itself.”

Advisory Board Member

Additional commentary in Session 7

- A majority of members indicated their support for the final Statement of Objectives and process of developing this statement. One member commented that the final Statement of Objectives was very clear in terms of its focus on customers and community trade-offs.
- Several members sought clarification in relation to the use of the Statement of Objectives in Session 7, to confirm whether the four individual objectives within the Statement were to be weighted equally during the deliberations.

Jemena Response

Jemena clarified each member could consider their own relative priorities of the individual objectives within the Statement of Objectives when providing feedback during the deliberations on 22 March 2023.

Summary of Deliberation Outputs

Throughout the ‘deep dive’ sessions of the series, the Advisory Board explored four response areas: adjusting asset management approach, supporting renewable gases, adjusting connections approach, and addressing capital recovery. Within these areas, there were a number of specific response options that Jemena could take forward to engage on with customers. The full suite of 12 response options initially explored by the Advisory Board is included in **Appendix B** (page 18), which demonstrates that filtering of response options took place in advance of the deliberative session where six options were specifically considered.

The purpose of the Advisory Board deliberations in Session 7 on 22 March 2023, was to test and filter response options using the Advisory Board Statement of Objectives. This session was extended to a full day to provide the Advisory Board with sufficient time and space to engage in a collaborative and immersive way on each topic of discussion. This session was also adjusted to be held in-person and was co-designed to maximise the Advisory Board’s experience of the deliberative discussions. The agenda for the day included break-out sessions for smaller group conversations, which were followed by full group conversations to explore the diverse perspectives in more detail.

To guide their deliberations during Advisory Board Session 7, each Advisory Board member was equipped with a Handbook (refer **Appendix C** on page 19). This Handbook was shared with members in advance of the session as pre-reading, and also provided in hard copy on the day. The Handbook provided detailed background information and supporting materials for each agenda item and discussion point throughout the day. Supporting materials included details on each of the four Expert Panel plausible future scenarios, and modelling outputs which outlined customer demand by cohort, gas blend, and Jemena outcomes and assessment against the Statement of Objectives within each plausible future scenario. The assessments modelled each scenario with and without the response option to show outcomes as improved, no change, or worse; this assessment of impact was also provided over different time horizons, including initial action impacts during 2025-2030, medium term impacts in 2030-2040, and impacts out to 2050.

On the basis of the modelling outputs, the Advisory Board were asked to consider six response options in their deliberations. The ingoing response options to be considered were as follows:

1. Replacing at slower pace instead of continuing to maintain and replace assets at current pace.
2. Accelerate to 10% hydrogen capability instead of continuing new and replacement asset transition.
3. Advocate for and support renewable gas instead of a passive renewable gas approach.
4. Increase capital contributions instead of continuing low contribution connections.
5. Shorten asset lives of new assets instead of maintaining current lives.
6. Front-end some depreciation instead of maintaining current profile.

Throughout the deliberative day, there were small breakout groups to allow for more in-depth discussions ahead of the final deliberative session.

During the final deliberative discussion of the day, the Advisory Board were asked three questions:

- What response options perform best¹ across the range of scenarios and would be suitable to put forward to Jemena’s Customer Forum?
- How should these preferred options be considered together?
- What information will be important for engagement on these options?

“The small groups enabled those discussions to be a little bit more challenging, it’s a lot harder in a large group. I thought it was very, very beneficial day.”

Advisory Board Member

The following summary captures the outputs of the Advisory Boards deliberations, highlighting key areas of alignment and divergence (see pages 10 – 12). These outputs will help to shape the approach and content for engagement with Jemena’s customers in upcoming Customer Forums.

¹ The Advisory Board were asked to consider the response options ‘performance’ in the context of their alignment to the Statement of Objectives, their level of impact and the timeliness of this impact.

Summary of Deliberation Outputs (continued)

A. What response options perform best across the range of scenarios and would be suitable to put forward to Jemena’s Customer Forum?

During the deliberative session, members debated and filtered between response options to consider which perform best across all plausible future scenarios from the Expert Panel, and as a result, the Advisory Board would advise Jemena to engage on these with customers during the Customer Forums.

Response option 4 was endorsed by all members for engagement with customers. Response options 1, 5, and 6 were endorsed by most members, with the stipulated 70-80% alignment achieved on which options Jemena should engage customers on. Feedback from the Advisory Board in relation to response options 2 and 3 centred around potential changes to the language used and re-framing these options before they are taken to customer engagement.

Areas of Alignment

- Many members emphasised a principle of “do no harm” when considering the impacts of these options on the customer, with discussions on potential materiality of cost per year to customers, integration concerns, and the potential for intergenerational equity issues. To support this “do no harm” approach, members concentrated on response options which promoted flexibility for Jemena through a slower pace of change (response option 1) to maintain optionality in the 2025-2030 regulatory period.

“We want to get to net zero at least cost, not any cost. There’s been a narrative for too long that the transition to net zero is easy and free, when it’s actually really hard and potentially really expensive.”

Advisory Board Member

- There was also alignment from many members on attaching a principles of “causer pays” to response option 4, whereby the parties driving the demand for the investment incur the majority of the associated costs.
- A general point of alignment from the members’ deliberation on response options 2 and 3 was that while Jemena should take these options forward for customer engagement and explore the potential of renewable fuels within the gas network, this explorative work should not be done at the expense of customers. In addition, there was consistent feedback from members on customer engagement on response options 2 and 3 to consider re-framing the language to provide information and education on hydrogen and renewable fuels to customers, and move away from language relating to advocacy.
- Members discussed their shared understanding that uncertainty is a key issue in the broader energy system and will be a concern for customers, and that it was crucial to distinguish what Jemena can control and cannot control when engaging with customers on these response options (e.g. government policy). There was a general alignment that there cannot be a one-size-fits-all approach to achieve net-zero and maintaining flexibility where possible would be key to help manage potential risk and uncertainty.

“Build the buy-in and educate. This will take time.”

Advisory Board Member

“What’s in Jemena’s control? Acknowledge limits.”

Advisory Board Member

Areas of Divergence

- There were divergent views on the overall prioritisation of response options. While there was strong alignment on response option 4 performing the best against the Statement of Objectives, members had varied views of which options should be prioritised after this response option and several members summarised the importance of options slightly differently.

Summary of Deliberation Outputs (continued)

Areas of Divergence (continued)

- There was a variety of views shared in discussion of response options 2 and 3. Some members considered these options less important for customer engagement for the 2025 to 2030 Business Plan, as there was a view that some of these decisions don't need to be made in this reset. Other members expressed the view that customers will need to be taken on the journey for these topics, and as such, engagement with customers should focus on information and education. There was also discussion that response option 3 would be more relevant to particular customer cohorts (e.g. some commercial and industrial customers), and that engagement should be directed towards these cohorts in particular.
- As a result of this point of divergence, it was agreed that the framing of response option 3 should be updated from "Advocate for and support renewable gas instead of a passive renewable gas approach" to "Support renewable gas instead of a passive renewable gas approach."

"If we electrify lots of things but there are some things we just can't [...] the community needs to know there is an alternative for the 'hard to move' customers, and they are decarbonising."

Advisory Board Member

Jemena Response

Jemena noted the order of the response options and stated while response options 2 and 3 were voted lower priority, Jemena feels it has a responsibility to engage with customers on these options, to inform, educate, and prepare customers for a potential renewable gas future.

Clarification in Session 8

Jemena sought clarification from the Advisory Board on the approach to taking response option 3 forward to customer engagement. The Advisory Board supported an approach whereby there was a clearer distinction between hydrogen and biomethane. Engagement on hydrogen would take a longer-term view, focusing on informing and educating. Engagement on biomethane would be deeper as the network and customer appliances are biomethane ready, and therefore biomethane may be more relevant in the near term.

B. How should these preferred options be considered together?

Areas of Alignment

- When discussing how the response options could be presented to customers, the Advisory Board broadly agreed Jemena could group the response options into two packages for engagement with customers:
 - Response options 1, 4, 5 and 6 could be packaged under the concept of network development. Members expanded on the logic of combining these with feedback including that each response option allows for varying degrees of flexibility in Jemena's approach over time, and optionality for customers moving forward.
 - Response options 2 and 3 as future renewable fuels. Members viewed these response options as potentially limiting to future optionality, but agreed they could be combined, including where locational factors in renewable gas demand and supply require this, to allow Jemena and their customers to explore what a future fuel network might look like.

Areas of Divergence

- Some members raised that response options 5 and 6 may not need to be packaged together, as the impact on customers of shortening asset lives of new assets and front-ending some depreciation will be similar.

Jemena Response

Jemena acknowledged it will further consider the proposed packaging of response options in planning for the Customer Forums, and this was discussed further with the Advisory Board in session 8.

Summary of Deliberation Outputs (continued)

C. What information will be important for engagement on these options?

Areas of Alignment

- Members were unanimous in their agreement that information provided by Jemena to customers during Customer Forums should include appropriate tools to ‘meet customers where they are’ in their understanding of the current gas network context. Members were aligned that Jemena should relate these options to the key issues customers are concerned with, before simplifying and narrowing down to the most important issues on which to focus engagement. Members discussed the importance of using clear language to communicate risks and trade-offs to customers.
- When discussing information that would be important for future customer engagement, members also emphasised the need for the outlining of clear expectations, including building a shared understanding of the role of Jemena, the role of government, and the role of the regulator in the upcoming regulatory period.
- Members discussed the concept of taking customers on a ‘journey of enlightenment’ during customer engagement. This included beginning with broader information about the Australian energy system and future challenges, before narrowing the conversation to the response options Jemena has available through a range of tools, examples, and visuals. One tool endorsed by members was a broad map of trajectories across two time horizons (i.e. short-term 2025-2030, and long-term 2030-2050), to clearly step out signposts for Jemena’s potential future initiatives and timelines for when key decisions would need to be made.

Areas of Divergence

- When discussing how Jemena should present information on response options across the three time horizons (i.e. short-term 2025-2030, medium-term 2030-2040, and long-term 2030-2050), there were different opinions shared. One member shared their view that information provided during the Customer Forums should focus on immediate future impacts in 2025-2030, to reduce uncertainty wherever possible for customers engaging with the information. Another member shared a contrasting view, noting that without clearly communicating the long-term 2050 information, the 2025-2030 period could potentially be considered a normal reset and proposal for Jemena from the customer perspective.

“Without the 2050 detail this would be a normal reset, we need to see where the bigger picture is going. If we didn’t have this horizon we wouldn’t be making the same decision and we have to have it at the forefront.”

Advisory Board Member



Advisory Board Deliberative Day. Photo credit: Toby Goodman.

Summary of Deliberation Outputs (continued)

Key take-aways for Jemena's future customer engagement

On 22 March 2023 the Advisory Board deliberated on six of the 12 response options (refer **Appendix B** on page 18) with consideration of the modelling outputs against the Statement of Objectives, customer demand by cohort, gas blend, and Jemena outcomes.

At a high level, the outputs of the Advisory Board deliberations are set out in Table 1 against the six response options. This table reflects the updated wording of response option 3, as aligned to feedback from the Advisory Board.

Table 1. High-level Deliberative Outputs

Response area	Response option	Deliberation outputs
Adjusting asset management approach	1. Replacing at slower pace instead of continuing to maintain and replace assets at current pace	Take forward for engagement at Customer Forums.
Adjusting our asset management approach	2. Accelerate to 10% hydrogen capability instead of continuing new and replacement asset transition	Take forward for engagement with language aligned to informing and educating. Potential to package with option 3 for engagement.
Supporting renewable gases	3. Support renewable gas instead of a passive renewable gas approach	Take forward for engagement with specific customer groups. Focus on biomethane in the near term and consider the use of different language aligned to informing and educating on hydrogen. Potential to package with option 2 for engagement.
Adjusting our connections approach	4. Increase capital contributions instead of continuing low contribution connections	Take forward for engagement at Customer Forums.
Addressing existing capital recovery	5. Shorten asset lives of new assets instead of maintaining current lives	Take forward for engagement at Customer Forums. Potential to package with option 6 for engagement.
Addressing existing capital recovery	6. Front-end some depreciation instead of maintaining current profile	Take forward for engagement at Customer Forums. Potential to package with option 5 for engagement.

Next Steps

The final session to close the Advisory Board series and this portion of Jemena’s broader Gas Network 2050 project was held on 18 April 2023. Throughout this session the Advisory Board members had the opportunity to provide feedback and further refine the response options and packaging for Jemena to take forward to the Customer Forums, as well as provide advice on the future engagement plan.

“It’s going to be interesting when you start engaging more because I do think there’s a real gap in people’s understanding of the size of the challenge.”

Advisory Board Member

“People tend to focus on the one solution, and this is not that story [...] Conveying complexity, and getting people to engage with it without drowning them in detail, is going to remain a challenge.”

Advisory Board Member

Customer Forums

Jemena’s Customer Forums are scheduled throughout 2023 and early 2024 as the next stage of engagement in the Gas Network 2050 project.

Building upon the outputs and deliberations of the Advisory Board process, these Forums will ensure the areas deemed most important to customers are being explored by Jemena. Upon completion of all engagement activities, Jemena will develop their 2025-2030 Regulatory Proposal for the Australian Energy Regulator’s consideration.

“On the whole I think Jemena has done a fantastic job of trying to keep customers’ opinions and values in consideration, in what is really a very challenging situation. It’s reassuring to know that such a huge company doesn’t dismiss lightly the needs of their end-users.”

Advisory Board Member

Appendix A: Attendance

Advisory Board Members

Name	Organisation	1	2	3	4	5	6	7	8
Aidan Mullan	Interface Australia and New Zealand	Attended	Attended	Attended	Attended	Attended	Attended	<i>Apology</i>	<i>Apology</i>
Andrew Richards	Energy Users Association of Australia	Attended	Attended	Attended	<i>Apology</i>	Attended	<i>Apology</i>	Attended	<i>Apology</i>
Douglas McCloskey	Public Interest Advocacy Centre	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Gavin Dufty	St Vincent de Paul	<i>Apology</i>	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mary Karras	Ethnic Communities Council NSW	Attended	Attended	Attended	Attended	<i>Apology</i>	Attended	Attended	Attended
Natalie Thacker	Customer Representative	Attended	Attended	Attended	Attended (Part)	Attended	Attended	Attended	Attended
Prof. Peta Ashworth, OAM	The University of Queensland (UQ)	<i>Apology</i>	Attended (Part)	Attended	Attended	Attended	Attended	Attended	Attended
Rosemary Sinclair, AM	Advisory Board Chair	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Tennant Reed	AI Group	Attended	Attended	Attended	Attended	Attended	Attended (Part)	<i>Apology</i>	Attended
Victoria Jordan	Customer Representative	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Advisory Board Selection Rationale

To inform the composition of the Advisory Board Jemena firstly conducted an analysis of customer segments to ensure members provided a balanced representation of Jemena's gas networks customer service area. This analysis included profiling demand customers, household customers, culturally and linguistically diverse communities, regional communities, vulnerable customers and customers in Western Sydney. From this analysis Jemena invited Aidan Mullan (Interface Australia and New Zealand), Andrew Richards (Energy Users Association of Australia), Doug McCloskey (Public Interest Advocacy Centre), Gavin Dufty (St Vincent De Paul), Mary Karras (Ethnic Communities Council NSW), to be Advisory Board members.

Secondly, Jemena also profiled a diverse range of industry representatives as possible candidates for the Advisory Board. Candidates included professionals from the academic research sector and leading experts with well-regarded policy, regulatory, economic and / or engagement expertise. From our review of industry representatives Jemena invited Tennant Reed (AI Group), Professor Peta Ashworth, OAM (Curtin University) to be Advisory Board members, and Rosemary Sinclair, AM, as Chairperson.

To truly reflect the customer view and ensure a link between the last price reset, Jemena also invited two customers who participated in the previous Access Arrangement engagement program to sit on the Advisory Board to provide a fresh customer perspective and understanding of how customers' expectations have evolved over time.

Appendix A: Attendance (continued)

Facilitation Team

Name	Organisation	1	2	3	4	5	6	7	8
Matt Pearce (Facilitator)	KPMG	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Ben Twartz	KPMG	Attended		Attended		Attended	Attended		
Lauren Minuzzo	KPMG	Attended	Attended		Attended		Attended	Attended	Attended
Hope Blomberg	KPMG	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Shenuka Lokuge	KPMG							Attended	

Jemena Subject Matter Experts and Observers

Name		1	2	3	4	5	6	7	8
Core project team									
Frank Tudor	Managing Director	Attended	<i>Apology</i>	Attended	Attended	Attended	Attended	Attended	Attended
Shaun Reardon	Executive General Manager	Attended	Attended	<i>Apology</i>	Attended	<i>Apology</i>	Attended	Attended	Attended
Ana Dijanosic	General Manager Regulation	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Merryn Spencer	Regulation	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Robert McMillan	Farrierswier	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Subject Matter Experts and Deep Dive presenters									
Andre Kersting	Regulation							Attended	Attended
Peter Harcus	Asset Management			Attended	Attended	Attended	Attended	Attended	Attended
Mark Dragar	Asset Management							Attended	Attended
Jerrie Li	Gas Networks 2050 Model and Analysis					Attended	Attended	Attended	
Eli Atkinson	Regulatory Modelling							Attended	
Linda Cardillo	Renewable Gases				Attended			Attended	Attended
Observers									
Shahab Mian	Asset Management							Attended	Attended
Sandra Centofanti	Customer & Commercial							Attended	Attended
Sandeep Kumar	Regulatory Analysis & Strategy							Attended	

Appendix A: Attendance (continued)

External Guest Speakers

The following external attendees were invited to attend specific sessions as guest speakers.

Name	Organisation	Topic	1	2	3	4	5	6	7	8
Prof. Cameron Tonkinwise	University of Technology Sydney	Design Thinking		Attended						
Matthew Warren	Boardroom Energy	Expert Panel Scenarios						Attended		
Brian Spak	Energy Consumers Australia	Expert Panel Scenarios						Attended		
Rachel Fox	bd infrastructure	Customer Engagement							Attended	Attended
Anne-Marie Mitchell	bd infrastructure	Customer Engagement								Attended

External Observers

The following attendees were invited to attend and observe any of the Advisory Board sessions. With the exception of Slavko Jovanoski, who was invited to respond to specific questions directed to the Australian Energy Regulator, these attendees did not participate in the Advisory Board series.

Name	Organisation	1	2	3	4	5	6	7	8
Slavko Jovanoski	Australian Energy Regulator		Attended	Attended		Attended	Attended	Attended	Attended
Rob Gannon	Australian Energy Regulator						Attended	Attended	
Helen Bartley	Consumer Challenge Panel			Attended	Attended	Attended		Attended	Attended
Mark Henley	Consumer Challenge Panel			Attended			Attended	Attended	Attended

Appendix B: Response Option Filtering

Response Area	Response Option	Deep Dive 1 25/11/22	Deep Dive 2 9/12/22	Deep Dive 3 1/2/22	Deliberative Day 22/3/23	Response Options for Customer Engagement
Adjusting our asset management approach	Replacing at slower pace instead of continuing maintaining and replacing assets at current pace (Response option 1)	✓			✓	Take forward for engagement at Customer Forums.
	Changing asset size expectations	✓			✗	<i>Response option would require government or policy decision.</i>
	Accelerate to 10% hydrogen capability instead of continuing new and replacement asset transition (Response option 2)		✓		✓	Take forward for engagement with language aligned to informing and educating. Potential to package with option 3 for engagement.
Supporting renewable gases	Support renewable gas instead of a passive renewable gas approach (Response option 3) <i>Encompasses two options:</i> <ul style="list-style-type: none"> • Market making • Supporting renewable connections 		✓		✓	Take forward for engagement with specific customer groups. Focus on biomethane in the near term and consider the use of different language aligned to informing and educating on hydrogen. Potential to package with option 2 for engagement.
	Green gas policy		✓		✗	<i>Response option would require rule or legislative change, therefore not prioritised for end customer engagement.</i>
Adjusting our connections approach	Increase capital contributions instead of continuing low contribution connections (Response option 4)			✓	✓	Take forward for engagement at Customer Forums.
	Make connections contestable			✓	✗	<i>Response option not quantified, similar impact to increase capital contributions.</i>
	Stop connections			✓	✗	<i>Response option would require rule or legislative change.</i>
Addressing existing capital recovery	Shorten asset lives of new assets instead of maintaining current lives (Response option 5)			✓	✓	Take forward for engagement at Customer Forums. Potential to package with option 6.
	Change depreciation profile / Front-end some depreciation instead of maintaining current profile (Response option 6)			✓	✓	Take forward for engagement at Customer Forums. Potential to package with option 5.
	Compensate recovery risk			✓	✗	<i>Response option would require rule or legislative change.</i>

Appendix C: Advisory Board Session 7 Handbook

The Advisory Board Session 7 Handbook is attached as a separate PDF.

Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.





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The findings in this report are based on a qualitative study and the reported results reflect a perception of the key issues for Jemena Gas Networks but only to the extent of the sample surveyed, being Jemena Gas Networks approved representative sample of stakeholders. Any projection to the wider stakeholder group is subject to the level of bias in the method of sample selection.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by KPMG stakeholder consulted as part of the process.

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