



# Stakeholder Reference Group

## Meeting #2 | Summary Notes

Details	Members	AusNet Staff	External Observers
<b>1pm-4pm 28 March 2023</b>	Tony Robinson ( <i>Chair</i> )	Liz Ryan	Nil
<b>Online (MS Teams)</b>	Helen Bartley	Charlotte Eddy	
<b>Chair:</b> Tony Robinson	Emma Chessell	Rod Jones	
<b>Secretariat:</b> AusNet	Lynne Chester	Rob Ball	<b>Apologies</b> Jonathan Kneebone
	Kieran Donoghue	Lucy Holder	
	Gavin Duffy	<b>Observing:</b>	
	Mark Grenning	James Bleed	
	Tricia Hiley	Michaela Jackson	
	Darren McCubbin		

<b>Purpose of Session</b>	<ul style="list-style-type: none"> <li>• Share and answer questions on additional background information requested in earlier meeting</li> <li>• Settle on approach to Quantifying Customer Values research</li> <li>• Progress the design of the broader customer &amp; other stakeholder engagement workstream</li> <li>• Decide whether a Network Vision should be developed</li> <li>• Settle various administrative matters, particularly around process governance.</li> </ul>
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Item	Time	Topic	Lead/s
	1 – 1.05pm	Welcome	Tony Robinson (Chair)
<b>1</b>	1.05 – 1.35pm	Standing Items - action items & workstream updates	Tony Robinson
<b>2</b>	1.35 – 1.50pm	Current period commitments and performance	Rob Ball
<b>3</b>	1.50 – 2.05pm	Key investment drivers for 2026-31	Rod Jones
<b>4</b>	2.05 – 2.20pm	Network Vision	Charlotte Eddy
<b>5</b>	2.20 – 2.40pm	Designing the broader customer and other stakeholder engagement stream	Lucy Holder
	2.40 – 2.45pm	<i>Break (5 mins)</i>	
<b>6</b>	2.45pm – 3.05pm	Resourcing available to SRG	Charlotte Eddy & Caroline Valente (ECA)
<b>7</b>	3.05 – 3.35pm	Quantifying customer values of investment	Rob Ball
<b>8</b>	3.35 – 3.55 pm	Administrative Matters	Charlotte Eddy and Tony Robinson
	3.55 – 4pm	Meeting Close & Next Steps	Tony Robinson

## Summary

### Welcome

- Tony Robinson (Chair) opened the meeting by acknowledging the traditional owners, then spoke through the agenda and introduced a new face (Rod Jones, AusNet GM Network Strategy & Planning).
- Liz Ryan, AusNet EGM Strategy, Regulation and Corporate Affairs, spoke about recent media coverage involving AusNet re: the building of new transmission lines in western Victoria. The purpose of this was to inform the group on facts, given many had seen this high-profile media coverage, acknowledging it is somewhat tangential to the EDPR.

### 1. Standing Items

Topics	Discussion points
<b>Action items</b>	<ul style="list-style-type: none"> <li>• No comments or questions were raised relating to action items from Meeting #1.</li> </ul>
<b>Workstream updates</b>	<ul style="list-style-type: none"> <li>• SRG members Kieran Donoghue, Lynne Chester and Darren McCubbin gave updates on the various workstreams:           <ul style="list-style-type: none"> <li>– Kieran reported the <b>Availability Sub-Panel</b> members discussed reliability and resilience as the two key components of availability, as well as costs and revenues for AusNet associated with reliability. Kieran said the sub-panel has noted several parts of AusNet's network are in tourist areas with fluctuating in energy requirements and differing expectations and will be mindful of this through the process.</li> <li>– Lynne reported lively discussion in the <b>Customer Experience</b> sub-panel on topics such as what is a customer, outage and pain-points for customers (frequency, patterns over time). LC noted the importance of: asking 'who is not in the conversation/room?' and using simple language. LC noted that Council Economic Development Officers could be help tap into groups of customers with particular concerns.</li> <li>– From the <b>Future Networks</b> sub-panel, Darren noted the huge amount of data AusNet can produce and how this can help understand community energy resources and future directions. A challenge arising from the meeting was the diversity on the network and ensuring that the data shared captures the detail (i.e. goes beyond averages).</li> </ul> </li> <li>• Following discussion covered being mindful of information overload (espec. with packs), using simple language where possible, and overlaps between different sub-panels. It was taken as an action that the SRG will discuss at its next private meeting.</li> </ul>

### 2. Current period commitments and performance

Topics	Discussion points
<b>What we committed to last EDPR and progress delivering against it</b>	<ul style="list-style-type: none"> <li>• AusNet's Rob Ball presented on the commitments AusNet made and expenditure approved in the last EDPR, and how actuals were tracking against it. Discussion during this item included:           <ul style="list-style-type: none"> <li>– clarifying the sorts of costs included in opex, and the impacts of weather on opex (e.g. Guaranteed Service Level [GSL] payments and emergency response costs)</li> </ul> </li> </ul>

- if revenue per customer would increase during the current period because of interest rates and lower expected population growth, to which Rob indicated that we continue to see strong customer growth on our network.
- a question on whether AusNet will, or has an appetite to, spend more on safety than was approved. Rob responded that some reduction in safety expenditure is expected as the REFCL program ending, but there will be other programs that continue such as the replacement of single-wire earth return (SWER) conductor in high bushfire risk areas known as Codified Areas. Rob also clarified that safety capex overspending in the 2011-15 regulatory period would not have been subject to Capital Expenditure Sharing Scheme (CESS) penalties as the scheme was introduced in 2016
- whether it is fair that opex trends upwards but capex is stabilising, to which AusNet responded that opex depends on the base year and future changes in obligations. Stable level of capex is a once off owing to minimal demand growth and end to REFCL safety programs in the current period
- the suggestion that more detail on the shift from underspend to overspend would help in prevent misinterpretation of the current situation.
- AusNet agreed to show AusNet's revised proposal on the long term expenditure charts it presented, to enable comparison actual and forecast.

### 3. Key Investment Drivers for 2026-31

Topics	Discussion points
<b>Capex drivers – accommodating growth, supporting the energy transition</b>	<ul style="list-style-type: none"> <li>• AusNet's Rod Jones shared drivers of capital expenditure (capex) including electrification of transport, CER integration, customer growth, connection enablement, future networks and decarbonisation.</li> <li>• Questions, suggestions and discussion included:               <ul style="list-style-type: none"> <li>- that AEMO's GSOO forecasts paint a picture of less electrification of the gas load than the Victorian Government Roadmap suggests</li> <li>- the need to also consider customers' view of the business and the need to consider interaction between different elements that are driving capex</li> <li>- SWER assessment and replacement, which AusNet advised it has replaced about 1% so far</li> <li>- comments for later consideration. Namely, how optionality and flexibility are built into the regulatory framework, and exploring low-voltage and solar enablement.</li> </ul> </li> <li>• Chair Tony Robinson suggested that AusNet provide advice/ explanation to SRG on technical limitations and constraints expected on its network due to growth in export and load and the options it has to address these.</li> <li>• Rod spoke about initiatives to meet safety and reliability obligations, including asset replacement, safety and compliance, resilience and digital. He also noted that AusNet has commissioned 9 stand-alone power systems (SAPS') so far this year.</li> </ul>

### 4. Network vision

*Note: Due to time constraints, this item was discussed after the break.*

Topics	Discussion points
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## Is there value in a Network Vision?

- AusNet's Charlotte Eddy introduced the idea of a network vision, asking whether this is of interest to the SRG, and something they think helpful. Charlotte indicated that AusNet is happy to hand the decision-making over to the SRG on whether a network vision is developed, and what form it might take.
- The topic generated much discussion; panel members were mixed in their views. Some supported the concept particularly if it enabled a consumer orientation and provided focus. Others expressed that such a document not be particularly helpful or had questions about the scope or purpose of the vision, the connection to the business narrative, and if the timing was right. AusNet clarified that they felt the vision would be more similar to Endeavour's narrative than other networks' but would likely extend further into the future. Some members suggested the vision could be a living document, and there was some discussion as to how it might fit with AusNet's corporate vision.
- It was agreed that the network vision would be discussed at the next SRG-only meeting, with a view to the SRG coming back to AusNet with a position/next steps. Mark Grenning also offered to share comments from his experience in developing a vision with the group.

## 5. Designing the broader customer and other stakeholder engagement stream

Topics	Discussion points
<b>Start-point for discussion on design of further research &amp; engagement stream</b>	<ul style="list-style-type: none"> <li>• AusNet's Lucy Holder emphasised that design of further research and engagement is a key part of SRG's remit and wants to ensure SRG gets information they require.</li> <li>• AusNet is happy for the SRG to drive this parcel of work - SRG members to advise how much they want to be involved and what they need to make it happen.</li> <li>• Members indicated they were keen to take this on and noted that:               <ul style="list-style-type: none"> <li>- asking 'what can this engagement influence' will shape the form of engagement</li> <li>- AusNet may need to build capability among those we want to engage,</li> <li>- The importance of engaging non-residential customers, and low-income customers</li> <li>- communicating in a way that resonates with the community.</li> </ul> </li> <li>• Agreed that AusNet would contact all panel members and ask if they were interested in engaging their networks and communities. AusNet also to contact TH and HB on working with sub-panels to develop problem statements (to give direction to this work).</li> <li>• The SRG took an action to discuss how they would like to proceed with the design of this stream in their upcoming SRG-only meeting/s, and bring this to the next SRG meeting</li> </ul>

## 6. Resourcing Available to SRG

*Note: presentation from ECA was moved before the break owing to time pressures.*

Topics	Discussion points
<b>AusNet resourcing available</b>	<ul style="list-style-type: none"> <li>• AusNet's Charlotte Eddy spoke about resourcing available to the SRG for the engagement program, adding that the key criteria is resources must be used in a way that are in-line with customers long-term interests. Charlotte added that the financial resource allocation is intended to cover SRG's own meeting time and</li> </ul>

research, but members shouldn't feel restricted – i.e. that AusNet is open to increasing funding under the control of the SRG if/as needed.

- Charlotte agreed that AusNet will be flexible in helping streamline and enable access to the funding.
- Chair Tony Robinson reiterated opportunities to use existing data AusNet has.
- ECA presented on resourcing available via Consumer Empowerment Funding Program. The ECA confirmed this funding is more focussed on network regulatory determination process (resets), but the ECA general grants program is broader.

## ECA resourcing available

## 7. Quantifying Customer Values of Investment

Topics	Discussion points
<b>Terms of Reference (Purpose, scope, methodology &amp; design, timelines)</b>	<ul style="list-style-type: none"> <li>• AusNet's Rob Ball indicated the organisation's interest in this work and noted resilience, Consumer Energy Resources (CER) integration, customer experience and safety, reliability, as areas where AusNet thinks it could be applied.</li> <li>• This topic also generated considerable discussion among members, including whether value is socialised or individualised (and associated equity issues) and the value customers place on biodiversity outcomes. That affordability was not listed as a value was noted and it was suggested that affordability could be investigated in a more complex way than in past resets. AusNet clarified that while the QCV research is intended to test specific customer values and outcomes, it is conscious of the impact its revenue proposal as a whole will have on energy affordability. AusNet also referred to additional qualitative research it has on affordability which would provide context to the QCV research findings.</li> <li>• Discussion also encompassed the research methodology, with concerns raised about relying solely on online surveys and the need for this project to include qualitative research (such as deliberative forums), which AusNet agreed to consider further.</li> <li>• It was agreed that the SRG should collaborate with AusNet on the design and methods used.</li> </ul>
<b>Next Steps</b>	It was agreed that the SRG discuss the QCV research at their next SRG-only meeting with a view to putting forward a working group of interested members for AusNet to engage with on the detailed design.

## 8. Administrative matters

Topics	Discussion points
<b>In-person meeting</b>	<ul style="list-style-type: none"> <li>• AusNet said it has heard calls for an in-person meeting/s and getting out into the region, and is keen to co-design a face-to-face activity with interested SRG members</li> </ul>
<b>Meeting summaries</b>	<ul style="list-style-type: none"> <li>• Chair Tony Robinson to discuss meeting summaries with group, and respond with an agreed view on their role, level of detail, and email protocols. Tony noted the risk of information overload, the importance of SRG members keeping their own notes, and not over-relying on long meeting summaries.</li> <li>• Tony acknowledged email overload and advised that communication via this meeting and SRG private meetings should be the primary channels.</li> </ul>

## Close & Next Steps

Tony closed the meeting.

Agreed action items			
Action	Assigned to	Status	Due date
SRG to provide AusNet with 2-3 delegates to participate in joint Victorian distributor engagement on <i>Framework and Approach</i>	SRG	Complete (Mark, Lynne, Kieran)	
AusNet to consolidate meeting materials into a single pack, rather than having a pre-reading and meeting pack, ongoing at request of SRG	AusNet	Ongoing	
AusNet provide advice/ explanation to SRG on technical limitations and constraints on its network and options to address these at future meetings	Network Mgmt team	Upcoming	TBC
Include AusNet's revised proposal as another data series on long term trend expenditure charts.	Reg team	Underway	SRG #3
SRG to discuss how they would like to proceed with the design of the further research & engagement stream in their upcoming SRG-only meeting/s	SRG	Underway	SRG #3
AusNet to get in touch with SRG members to ask if they want to engage with their networks and communities	Engagement team	Not yet started	Mon 17 April 2023
AusNet to follow-up with TH and HB on how to work with sub-panels to formulate joint AusNet -sub-panel problem statements.	Engagement team	Not yet started	Mon 17 April 2023
AusNet to provide further clarity on what stakeholders can influence in the revenue proposal	Engagement team	<i>To be combined with problem statement development</i>	
AusNet to contact Emma Chessell re: opportunities for working with deidentified AusNet data	Reg team	Not yet started	Mon 17 April 2023
SRG to discuss bridging the gap between the SRG and sub-panels' streams and come back to us with some suggestions	SRG	TBC	TBC
Network vision would be discussed at the next SRG-only meeting, with a view to the SRG coming back to AusNet with a position/next steps. Mark Grenning to share comments from his experience in developing a vision with the group at same time.	SRG	TBC	Mon 17 April 2023
AusNet to look at levers it might have to influence biodiversity in the process (with a view to potentially incorporate this into QCV)	Reg team	Underway	SRG #3
AusNet to look at opportunities/innovations to reduce line losses and report back to this group on whether it could sit in the EDPR	Sustainability team	Underway	SRG #3
SRG discuss the QCV research at their next SRG-only meeting with a view to putting forward a working group of interested members for AusNet to scope and co-design with	SRG	Complete (Helen, Jonathan, Emma, Mark)	
AusNet giving thought to building in qualitative methodology into the QCV project (to be discussed further with SRG co-design working group)	Reg & Engagement teams	<i>To be incorporated into QCV detailed planning</i>	

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SRG to discuss and report back on thoughts for in-person get-together (incl. appointing a couple of people to a co-design working group if/as needed)	SRG	Underway	Mon 17 April 2023
SRG to discuss and report back on (in form of note from Chair) a) an agreed approach to meeting summaries and b) out-of-session communication between members.	SRG	TBC	Mon 17 April 2023

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## Other items on radar

### Carried over:

- Opportunities for the SRG meeting face-to-face
- Record-keeping and minute-taking – *Who does this going forward (members or AusNet?) and in what format?*
- Opportunities for SRG members to observe engagement activities
- How to best engage the AER (Australian Energy Regulator) and its Consumer Challenge Panel (CCP) in the engagement process
- How to engage with the Victorian Government through the process, and on what
- Encouraging customers to participate in the engagement process, and interact with Community Hub
- Engage with local councils to understand electrification plans
- Revisiting issues raised during last EDPR to check progress (under relevant Sub-Panels)

### Added:

- When designing the broader engagement stream, consider:
  - asking ‘what can this engagement influence’ will shape the form of engagement
  - AusNet may need to build capability among those we want to engage,
  - The importance of engaging non-residential customers, and low-income customers
  - communicating in a way that resonates with the community.