AUSNET EDPR 2026-2031 COORDINATION GROUP MEETING #11 MINUTES

Location:	Microsoft Teams
Date:	April 23, 2024
Time:	8:45 AM – 10:30 AM
Attendees:	**Coordination Group (CG):** Peter Eben (Chair of CG, meeting Chair) Helen Bartley (Research and Engagement Panel Lead) Kieran Donoghue (Availability Panel Lead) (meeting Secretary) Gavin Dufty (Tariffs and Pricing Panel Lead) Mark Grenning (Benchmarking and Opex Lead) Dean Lombard (Future Networks Panel Lead) **AusNet:** Rob Ball Charlotte Eddy Lucy Holder Michaela Jackson Justin Bethlehem (Item 3B) Jacob Clifton (item 3C) Kim Sullivan (item 3C) Astro Salakis (Item 3A)
Apologies:	Emily Peel (Customer Experience Panel Lead) David Prins (CCP) Sonja Lekovic (AusNet)

I. WELCOME AND CONFLICTS OF INTEREST

Minutes from the last meeting were accepted.

No conflicts of interest declared.

Action items i and ii completed, action item iii from the previous meeting is a long-term action and carried forward.

II. PANEL LEAD UPDATE

A. Tariffs (Gavin) (not discussed in the meeting – email sent prior to the meeting)

While there was no formal tariff working group for AusNet, there was a joint DB tariff working group:

i. Time of tariff (ToU) structures and assignments. This included

- Feedback to date that the networks had received on tariffs. The overview covered the need to change pricing and tariffs due to the changing nature of load profiles. In particular profile of solar households.
- ToU challenges and the need for change such as the cross subsidies are currently occurring within the network, and also transitioning of gas load to electricity.
- Overview of the general price impacts with suggestions made particularly for the solo homeowners to list the total kilowatt use of the network not just the consumption component.
- Overall, on average, reassignment of households from flat tariffs to variant tariffs (TOU) would see all groups be better off except for solar household with regards to impacts varied from $86 better off to $51 worse off with the worse off group being solar.
- Using "better off/worse off" was not helpful as it was stripping out a cross subsidy as such it was just levelling the playing field.

ii. Time of use signals (pricing signal strength)

- The group was presented with weak medium and strong pricing signals. After discussion, it was agreed that they should offer a strong price signal. The difference between a week and a strong signal was $32 to $48 per annum for a solar customer and a saving of $24 through to $43 for a non-solar customer it was pointed out that this was not a significant difference in price and price changes could occur purely through seasonality of weather.

iii. Community energy resource tariff - battery tariffs

- A proposal (in part driven by the department) was to have a postage stamp battery tariff which *if* introduced and *if* the battery owner could arbitrage between peak and off-peak times, then there would be a 7 cent/KWh arbitrage network incentive.
- It was proposed that consumers generally would pay for this arbitrage incentive to promote batteries. Feedback was strong - saying no it should not be a postage stamp battery tariff. Rather the battery should be based locationally and where there are potential / actual constraints in the network, and the installation of a battery would provide solution and avoid network investment, and this should be used to underwrite the battery tariff.

- The department approached Gavin after the meeting, and they are interested to follow up on the notion of locational battery. Gavin will keep the group posted on this.
  iv. NOTE - opt in export. Prior to this meeting I had many conversations with the Victorian department to seek clarity around the around opt in for two-way pricing. After many emails. It was finally put me in writing that the Victorian government does have a opt in policy for two-way pricing however it is supportive for mandatory reassignment time of use, pricing in 2026.

III. AUSNET ITEMS (SLIDES PROVIDED FOR A, B, C)

A. Non network expenditure costed options
   i. [This is a carryover from last week's workshop – refer AusNet notes for the workshop as a whole]

B. AER draft F&A decision
   i. Justin presented on AusNet's submission and the AER's response in its draft decision. Noting that the form of control appeared to be settled as continuing with a revenue cap, Kieran flagged that this closed down one possible avenue for managing uncertainty. Accordingly, the CG agreed it would need to carefully consider whether any uncertainty mechanisms proposed by AusNet appropriately allocate risks between AusNet and its consumers.

C. Community fund overview
   i. Kim and Jacob presented on the fund and progress in disbursing funds and developing protocols for disbursing remaining funds. Feedback included:
      - Take care around creating expectations/norms for these payouts becoming the norm.
      - Important to develop statement of purpose and to collect feedback on impacts for evaluation of projects/activities funded. This would facilitate future regulatory proposals in this space (and also if shared with other parties would help support government initiatives).

D. Timeline update
   AusNet internal decision on Friday on timeframes for delivering their proposal, which could entail a delay to draft proposal release till September 2024. AusNet will inform the CG of the outcome of this decision and the implications for the CG's timeframes.

IV. OTHER BUSINESS

A. Consumer engagement status update [Helen] (not discussed in the meeting – sent via email prior to the meeting)

i. Tony and Helen met with Charlotte Eddy, Liz Ryan, Stephen Thompson(customer experience) and Rachel Anthony (customer experience) to share some of our learnings from the customer interviews in response to concerns expressed by customers related to new connections, maintenance and also key customer contacts, and also discussed how to manage reporting in our engagement report.

ii. The use of case studies in the report were discussed and the need to tie back specific customer experiences to key parts of the revenue proposal.

iii. AusNet also agreed to provide the RCG with further information /briefing on customer experience, specifically:
   - Current resourcing levels and plans for the major customer account management function; and
   - More detail about the connections process upgrade project that is planned.

B. <u>Self-initiated work process and approval</u>

Peter reminded the CG that they and Panel members should seek pre-approval from the CG for self-initiated work that they wish to charge for out of the $150k allocated fund managed by the CG. Panel leads will be the first point of call for panel members' queries on appropriate work. CG to draft advice on process that provides simple and effective governance for inclusion in the next Bulletin.

The core principles discussed at the meeting relating to self initiated work included:

- Whilst self initiated work is sometimes necessary and even at times encouraged (where appropriate) no self initiated work will be funded without prior approval of the work by the CG.
- All self initiated work will be funded from a specific budget managed by the CG.
- Panel (and CG) members seeking to undertake self initiated work must prepare a short form proposal that will be discussed and approved (if appropriate) by the CG. Only once approved by the CG can the work be commenced and then funded.
- The proposal must briefly outline:
  o The scope of the work, rationale and benefits to the reset process, clearly articulating its alignment to the EDPR 2026-31
  o Panel members involved to deliver the work
  o Overview of the approach to complete the work required
  o Key deliverables and timeframes
  o Budget
- The CG will discuss the proposal at the next available meeting and the relevant panel lead will notify panel members of the outcome.
- For work approved by the CG, any invoices submitted to AusNet must separately itemise self initiated work and reference the relevant CG proposal and approval. This will ensure that AusNet can validate the cost of the work completed and notify the CG that an invoice has been submitted.
- The CG will manage the overall budget and monitor the delivery of work.

The group agreed for Peter and Kieran to circulate the updated process to all panel members via the weekly Bulletin, advising it is from the CG.

Helen noted that she was managing participation in research and engagement to ensure individuals correctly "charged" their time to that project (and its budget) where appropriate.

C. <u>AER update</u>
   i.   None, as no AER attendance

D. <u>CCP Update</u>
   i.   None, no CCP attendance
E. <u>Open discussion</u>
   i.   None

V. ACTIONS AND NEXT STEPS

Action items
   i.   AusNet to feed back to CG on any changes to timeframes
   ii. Peter/Kieran to draft protocol on self-initiated work for inclusion in next week's Bulletin.
   iii. AusNet to talk with Helen and look at timing of draft proposal development with respect to when the engagement work and outputs need to land to inform the CG's draft report. This will assist with planning and reporting from the engagement work.

Next meeting – 15 May 8:30 am eastern time