

AUSNET EDPR 2026-2031 COORDINATION GROUP MEETING #17 MINUTES

Location: Microsoft Teams

Date: July 25, 2024

Time: 8:30 AM – 10:30 AM

Coordination Group (CG):

- Peter Eben (Chair of CG, meeting Chair)
- Helen Bartley (Research and Engagement Panel Lead)
- Kieran Donoghue (Availability Panel Lead)
- Gavin Duffy (Tariffs and Pricing Panel Lead)
- Mark Grenning (Benchmarking and Opex Lead)
- Emily Peel (Customer Experience Panel Lead)
- Dean Lombard (Future Networks Panel Lead) (meeting Secretary)

Other panel members:

- Tony Robinson (Research and Engagement Panel Member) (for item III B)

Attendees:

AusNet:

- Rob Ball
- Charlotte Eddy
- Lucy Holder
- Andrew Linnie (for item III B)
- Stephen Thompson (for item III B)

CCP:

Did not attend

AER:

Did not attend

Apologies: No apologies

I. WELCOME AND CONFLICTS OF INTEREST

Minutes from the last meeting were accepted.

No conflicts of interest declared.

Action items:

- i. AusNet to liaise with Panel leads on options to be presented at offsite: done
- ii. Bill impacts: will be presented at the offsite, taking into account feedback received from the CG
- iii. CG to provide any further feedback on offsite agenda: to be provided by COB today (25 July)

II. PANEL LEAD UPDATE

A. Availability panel update (KD)

- i. The panel met a couple of weeks ago to discuss resilience expenditure options including network hardening, non-network solutions, contributing to backup infrastructure for other utilities, strengthening of backend systems, and some opex items.
- ii. There are challenges targeting localised network hardening because even though it is done where need is greatest, we never know where the next event will happen.
- iii. When looking more broadly at resilience, some proposals are clearly worthy but it's not clear whether they fall under AusNet's ambit, or another institution's (e.g. supporting other utilities' resilience).
- iv. A workshop later today is on regional reliability with a focus on worst served customers (ten worst performing feeders)
- v. **Discussion:**
 - a. AusNet noted that customers in the panel meetings have generally shown support for a higher level of expenditure than non customer CG members.
 - b. It may be more nuanced than that, each group (customers, CG, other stakeholders) have different perspectives and context. Customers' support is an important and critical factor – in particular, by demonstrating customer preferences – but other factors are also important when determining projects and expenditure.
 - c. We need to distinguish between the soundness of an idea or proposal (and support for expenditure), and

the AER's role in determining whether investment is prudent and efficient. Also, all of this will be impacted by the Vic Govt initiated rule change on network resilience.

- d. AusNet noted the recommendation in the Network Outage Panel Review Interim report for networks to fund customer compensation would increase financial risk for networks.
- e. This could be a case for state-backed insurance scheme (à la TAC (Transport Accident Commission) compulsory third party injury insurance) funded by a levy.
- f. Note that the AER's [draft determination on VNR](#) (value of network resilience) was published on Tuesday. Submissions are due 19 August.

III. AUSNET ITEMS

A. Offsite agenda and approach (CE and PE)

- i. AusNet will sending out a pack prior to the offsite with findings from customer research, documenting customer views
- ii. Reminder that our focus is on whether proposal reflects customer views and gives value. We don't need to try to assess the prudence and efficiency of proposals as this is the AER's role.
 - a. As part of this we need to have a narrative about the trade-offs. Understanding the trade-offs (and how they relate to customer preferences and customer value) is fundamental to landing on preferences.
 - b. AusNet agrees that needs to be well founded in the context
 - c. Yes but also the process of making trade-offs needs to be documented – we need to be sure that customers considered the trade-offs when expressing their preferences.
 - d. Trade-offs usually mean that no-one gets everything they want. It's important to aim for the solution that, overall, best fits the diversity of preferences
 - e. AusNet: there will be some expectation-setting up front, and pre-work with panels to ensure that the approach reflects all this.

- iii. AusNet shared a proposal for how the time will be used at the offsite. The larger part of day one will be on the expenditure elements of the proposal. There will also be some time focused on options that still need to be settled on for some focus question decisions of some panels.
 - a. We can't usefully talk about expenditure without also looking at cost allocation (i.e. tariffs)
 - b. Emily Peel noted that she can't attend on the first day so Tony Robinson will lead the Customer Experience Panel session on day one
 - c. We may reach majority view or consensus on some issues, but it's not expected with all. Where there is no shared view, it will be documented and AusNet will take it away for further consideration, and give a rationale for a decision that acknowledges divergent views and how they've been considered in reaching the decision.
 - d. Where there is no consensus, a synthesis may sometimes be found that responds to differing views.
 - e. There's an approach developed by Mosaic (L-scale) to make decisions where there is no shared view. This could inform the approach we take. *MG will send info through.*
 - f. The panel discussed the benefit of using a live with it / not live with it approach to reaching decisions at the offsite.

B. AusNet organisational update (AL)

Vision and strategy update

- i. Explained that AusNet is reorienting its focus.
- ii. There was previously no articulated vision; now one is being developed
- iii. Trust is really important, and building it has not previously been a focus. This is changing and is a key plank of the vision.
- iv. The other key plank of the vision is working to a clean energy future
- v. The refreshed strategy has a stronger focus on connecting communities with energy, with three strategic pillars:
 - a. Safely deliver our customers' energy needs today
 - b. Create the energy network of tomorrow
 - c. Enable the transition to a net zero future
- vi. And six clear stakeholder outcomes:

- a. Local, tangible, lasting community benefits
- b. Empowered customers
- c. Safe, reliable and resilient supply
- d. Affordability, value for money & a just transition
- e. Decarbonisation
- f. Sustainable business

vii. Discussion

- a. It would be good to articulate people and communities, not just 'stakeholders' which can be read as industry and government stakeholders.
- b. AusNet: Some outcomes are squarely focused on customers and communities, and AusNet's accountability to delivering them is not just to them but also to other stakeholders such as government. Monitoring progress on achieving these outcomes as BAU is critical.
- c. Note that there are no quantitative goals, and there's no stated ambition to be 'the best'.
- d. AusNet: how do you measure 'the best'? Delivering well on these is more important than being 'the best'.
- e. How do you balance operating a gas network with net zero goals and support for government policy of electrification?
- f. AusNet: It is a balancing act, we need to support our gas customers. It would be easier to synergise these if our gas and electricity networks were in the same geographic area.
- g. Outcomes vary across the network, Good to focus not just on average outcomes but also outcomes for customers in more challenging to service areas.

Executive restructure

- i. Designed to better deliver on the new vision and strategy
- ii. Top level (EGMs) is the different networks (gas, electricity distribution, electricity transmission, contestable businesses) and key aspects that reach across all activities (metering, people and safety, group operations, technology, finance, compliance/risk/corporate affairs).

iii. Discussion:

- a. It was noted that the word 'customer' is not in anyone's position title.

- b. AusNet: Customer focus is a core part of the vision and is a key consideration for each EGM. Everyone is responsible for customer outcomes, not a select few. And many positions in teams under these EGMs have 'customer' explicitly in their title and role.
- c. The coordination group agreed that this was a reasonable response.

Energy Charter (LH)

- i. Ausnet is now a member of the Energy Charter, and is embedding Energy Charter commitments into operations.
- ii. Focus of the EC is continuous improvement, and public self-assessment is a key aspect.
- iii. The EC has five key principles: customer-centricity, improving affordability, safety/sustainability/reliability, improved customer experience, and supporting vulnerable customers. The business will report annually on progress against these – where it's been, where it is, where it's going.

iv. Discussion:

- a. Running the business efficiently is not the only way to improve affordability. Slow approvals for connections etc. also lead to costs on customers (e.g. generators) and this is equally an affordability issue.
- b. Some members of the CG have done quite a bit of work with other EC members on disclosures, happy to share some thoughts and suggestions for making good disclosures.
- c. Some customer commitments from the Customer Forum from the last reset are not reflected in the customer commitments articulated here
- d. AusNet: there's some evolution and consolidation into the more focused list of customer commitments – that are also informed by subsequent work

C. Early draft proposal overview (15 mins)

- i. Held over till next CG meeting.

IV. OTHER BUSINESS (30 MINS)

A. Consumer engagement status update [Helen](5 mins)

- i. Not given

B. Capturing CG and panel decisions (5 mins)

- i. It's important to ensure that summary notes from meetings are clear and accurate, as they will be taken as an accurate

record of the meeting and decisions made and positions taken

- ii. AusNet: bulletins/summaries are not necessarily definitive but it's understood that they may be taken as representative. AusNet can check with panel leads that summaries are broadly accurate before publishing

C. Engagement plan feedback (John Mumford's email)

- i. Community hub shortcomings: We can all get documents as required from members of the engagement team if we can't find them on the hub. But there is a principle of community access to up-to-date information which is valid
- ii. CG-specific points will be addressed before the next meeting
- iii. AusNet disagrees with the assertion that they are not meeting obligations under 2022-26 EDPR
- iv. PE to send a response to John on behalf of the CG and AusNet.

D. AER update

- i. None

E. CCP representative update

- i. None

F. Open discussion

- i. None

V. ACTIONS AND NEXT STEPS

Action items

- i. MG to share information about Mosaic's L-scale approach for decision making when there are divergent views.
- ii. AusNet to share updated org chart when its available in September
- iii. AusNet will consult with panel leads over accuracy before publishing summaries in the weekly bulletins
- iv. PE to reply to John's email addressing points.

Next meeting – 8 August 9 am eastern time