

AUSNET EDPR 2026-2031 COORDINATION GROUP MEETING #2 MINUTES

Location: Microsoft Teams

Date: September 28, 2023

Time: 9:30 AM – 11:00 AM

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)

Attendees: Emily Peel (Customer Experience Panel Lead)

AusNet:

Rob Ball

Charlotte Eddy

Lucy Holder

Sonja Lekovic

Justin Bethlehem (item 4C)

AER:

Matthew Morrison (items 1, 2)

Apologies: None

I. WELCOME AND CONFLICTS OF INTEREST

Minutes from the last meeting were accepted.

No conflicts of interest declared.

II. INDEPENDENT REPORT (AER PERSPECTIVE)

- Matthew Morrison (AER) spoke to AER's expectations of the independent report:
 - Recommend reviewing customer reports on "big 7" resets draft decision released today and how AER has evaluated them.

- Effectiveness of engagement – breadth and depth. Our views as well as those arising from broader customer research.
- How much of the proposal do we support?
- Process and outcome are intended to be key focus areas.
- No need to do detailed reviews AER will do anyway, such as detailed analysis of prudence and efficiency of expenditure proposals, but AER don't mind if we have time and inclination to do some of this ourselves.
- Language of report – not a contract, so no need to overthink the specific meaning of particular words might use – AER will evaluate in context of overall message of report.
- Length of report – not meant to be super detailed or lengthy, rather up to the CG to determine the appropriate length.
- Items that we don't support – AER would expect some feedback loop where AusNet seeks to respond to that or at least better explain why they consider it meets NEO even though CG does not support. Note recent change to NEO.
- CCP interactions - recognize some overlap in roles – note different levels of maturity among networks in engaging customers, and AER appreciates additional level of assurance CCP provides. HB noted that CCP is in position to compare across multiple resets. GD noted risks of different evaluations between CCP and CG and challenges in reconciling these. MG echoed these and noted apparent AER policy that prohibits communication between the two.

III. PANEL LEAD UPDATE

- Availability (Kieran)
 - Met 16/8 to discuss worst served customers. Considering at feeder level.
 - Primary criterion is minutes off supply/yr. Discussions around threshold (4x average per AEMC def'n), sample period, include major events or not,
 - Secondary criteria – more on customer characteristics – e.g., vulnerability, life support, major employer
 - C. 10 worst feeders selected for review by AusNet. Will report back at a session next year on potential solutions.
 - Customer research on the value of reliability for WSCs and willingness to pay from a broader customer base.
- R&E (Helen expanded on the points from her email, copy in share folder)
 - Helen additionally noted opportunity to understand the composition of customer research groups ex ante could avoid issues later.
- Benchmarking and opex (Mark)
 - Review confidential benchmarking results.
 - The issue is that networks consider they have special characteristics that aren't taken into account.

- Capitalisation policies affect this and have adversely impacted AusNet. Correcting for this helps push AusNet above the 75% threshold for having opex adjusted for material inefficiency.
- Discussed AER work program. 75% not being reviewed in 2026 despite CCP recommendation to do so in 2018...
- Future Networks (Dean)
 - Crossover with role of tariffs.
 - Major workshop on efficient integration of DER last week.
 - Issues around hosting capacity, export charges, customer education, geographic inequity, ESIS, voltage issues, etc.
 - Also covered large scale RE connecting to sub transmission level. Explored access issues (first mover disadvantage, etc.) and user v customer pays principles.
- Tariffs And pricing (Gavin)
 - Joint DB meetings on this issue. One yesterday and another one coming out.
 - Discussed tariff classes, legacy tariffs, flexibility, revenue allocation.
 - Need network utilization forecasting in context of impact of new tariffs.
 - Electrification will put pressure on network capacity (Victoria more than elsewhere) and tariffs could play a role in minimizing this.
 - Meter replacement – could be a foundation for tariff options.
 - Need to analyse existing tariffs that aren't working/causing problems.
- Customer experience (Emily)
 - Met 7/9. Focus on customer conx. [ref focus q].
 - Grid conx
 - CER conx
 - Large customer conx.
 - AusNet is doing work in this area. Some improvements but more to do. Paying GSL is not an alternative to conx on time. Shouldn't be double paying for improvements. E.g., not also rewarded in CSIS if saving on GSLs too.
 - Next meet 18/10 on planned outages

IV. AUSNET ITEMS

A. Budget (CE, refer slide provided)

- CE presented the slide regarding the budget.
- This was accepted by the CG as a reasonable basis for the CG budget. Noting that the budget for the report writing is 21 days per report. The budget adequacy will be monitored and assessed as the project progresses and amended if required.

B. Future engagement (RB, refer slides provided)

- GD suggested addition of change to NEO as a topic, RB suggested it will be integrated to relevant levels. MG suggested there is a broader issue around greater use of reopeners/threshold given uncertainty during energy transition.
 - CG requested early scheduling of specific dates where possible.
 - CG also noted that the Feb 2024 and Aug 2024 all day workshops on the overall revenue proposal and price path may be more appropriate to be CG only rather than a broader group. AusNet to consider and revert.
 - Otherwise the CG accepted the proposed engagement plan as presented.
- C. F&A (JB, refer slides provided)
- A major new item proposed around ESS proposal, specifically participating in RERT.
 - CG accepted AusNet's position and agree it should be "on table" but raised a number of issues around this. E.g., level playing fields, stranded asset risk, interaction with min demand backstop, need for coordinated approach across DNSPs. These and other issues will be considered during the development of the revenue proposal.
 - AusNet confirmed it had considered alternatives to revenue cap but did not think it appropriate to propose a change at this time.
- D. Customer workshops – not discussed, was addressed in a previous broader meeting on 26 September 2023.

V. OTHER BUSINESS

LH – engagement with CCP? GD suggest "open door" approach, a term of engagement – including observer status only and a "no surprises" approach, and a conflict of interest register,

VI. ACTIONS AND NEXT STEPS

Action items

- i. AusNet to revert with the link on the Community Hub with the minutes for the CG meeting.
- ii. AusNet to further consider the engagement approach and address the issues raised by the CG.
- iii. AusNet to coordinate with CG Chair to commence confirming placeholder dates / times for future engagement sessions.
- iv. AusNet to consider CCP involvement in CG and panel meetings based on feedback from the CG. If appropriate CCP will be invited as an observer to future CG meetings

Next meeting – 26 October 2pm eastern time