



Energex and Ergon Energy 2020-25 electricity distribution determination

Public forum

Tuesday 9 April 2019

9:00am-12:30pm

Brisbane

aer.gov.au

Who are we

- The AER works to make Australian energy consumers better off by:
 - regulating electricity networks and covered gas pipelines, in all jurisdictions except WA
 - enforcing the laws for the NEM and spot gas markets in southern and eastern Australia
 - protecting the interests of household and small business consumers by enforcing the NERL

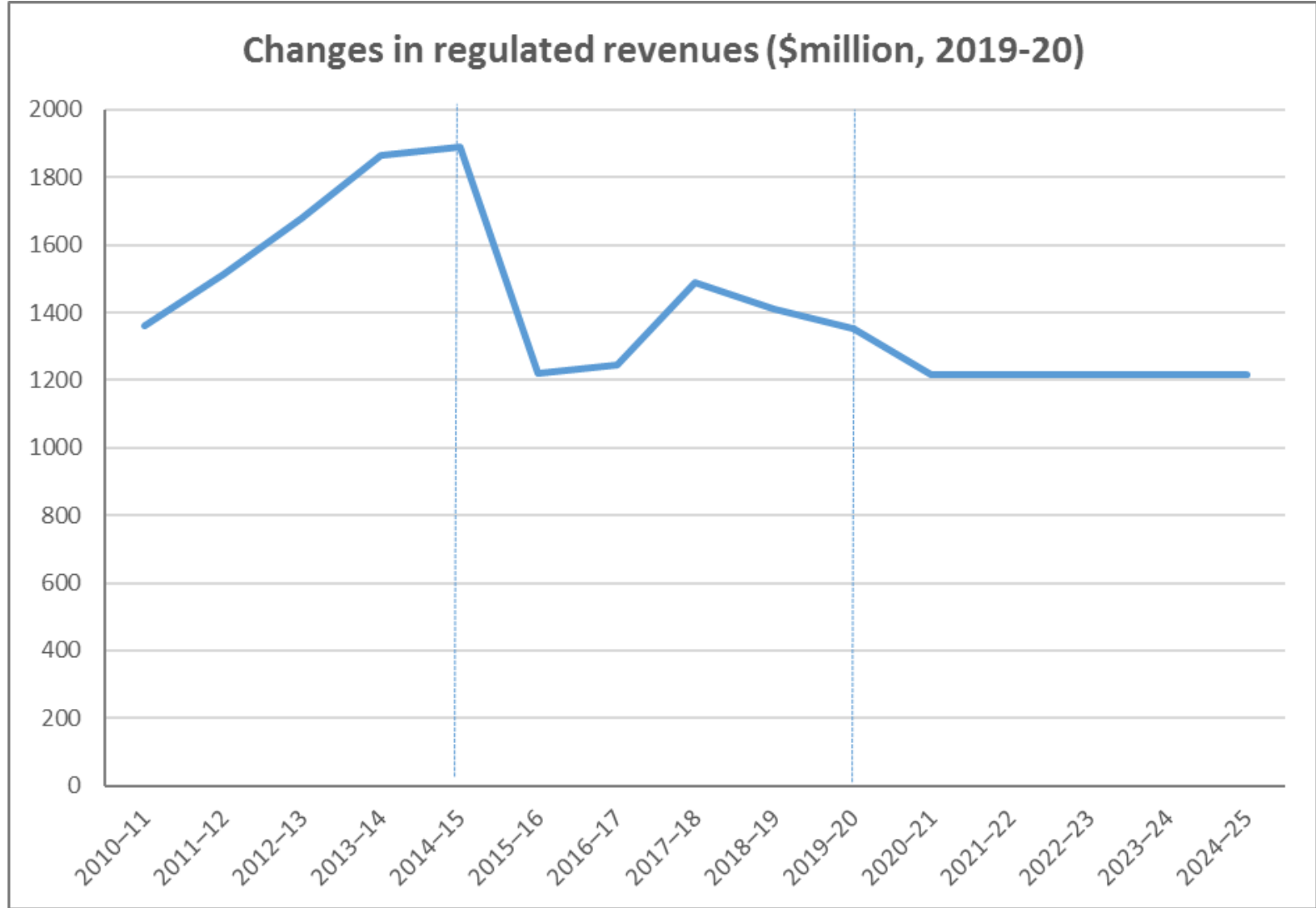
About this process

- Our determinations for Energex and Ergon Energy:
 - Will set the revenue they can recover from customers for the provision of electricity network services
 - Will approve a TSS and pricing structures for other services, which set out how that revenue is spread across their customer base.

What we want to hear from you

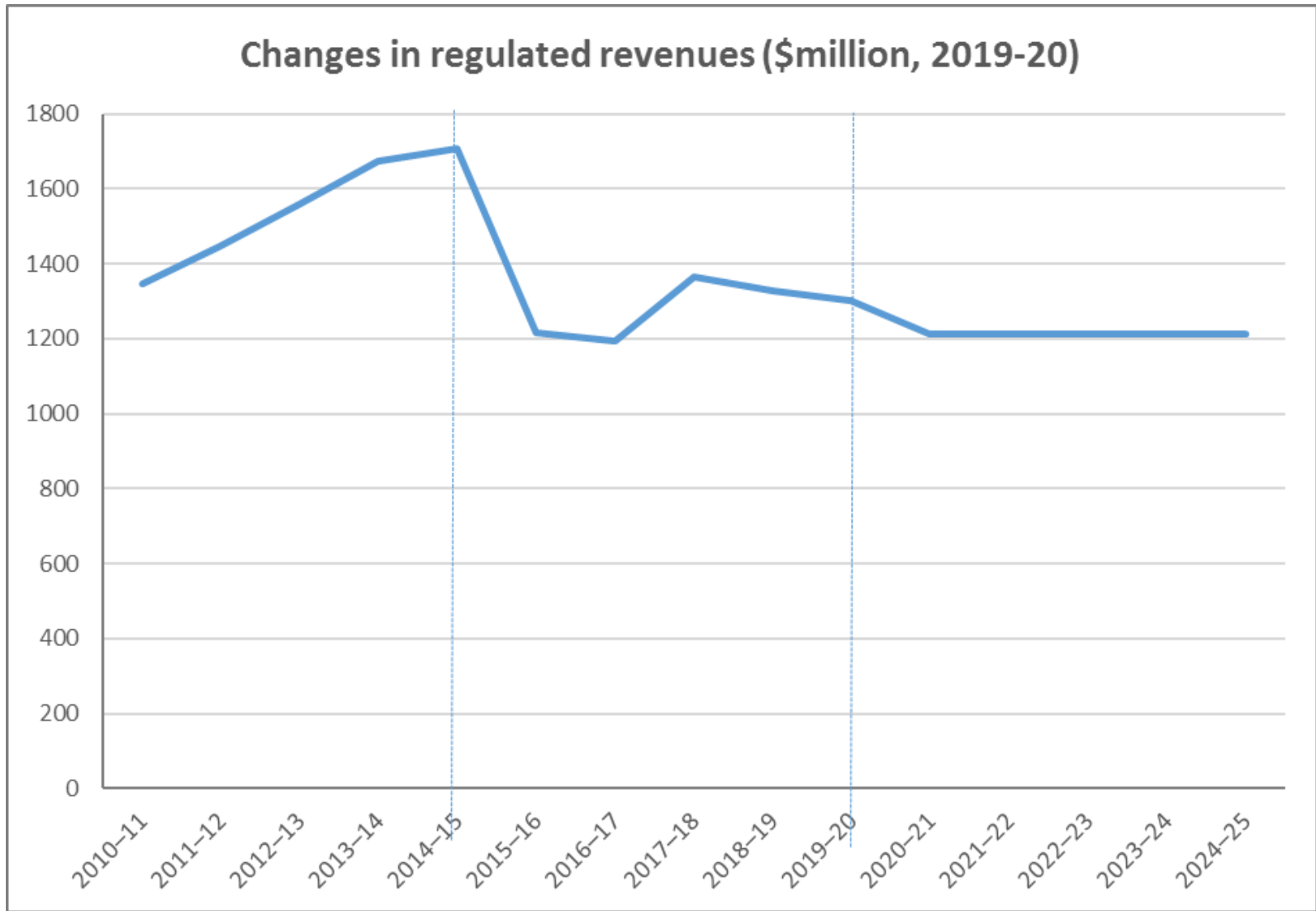
- Extent to which Energex's and Ergon Energy's proposals draw on feedback (key themes) it received from its consumer engagement.
 - Has this been adequately reflected?
 - Are these the right areas of focus for us?
- Issues paper highlights key areas of focus for us within the proposals:
 - Do you agree?
 - Have we missed anything?

Energex's revenue over time (\$m, 2019-20)



Source: AER analysis [Issues paper p. 14]

Ergon Energy's revenue over time (\$m, 2019-20)



Source: AER analysis [Issues paper p. 16]

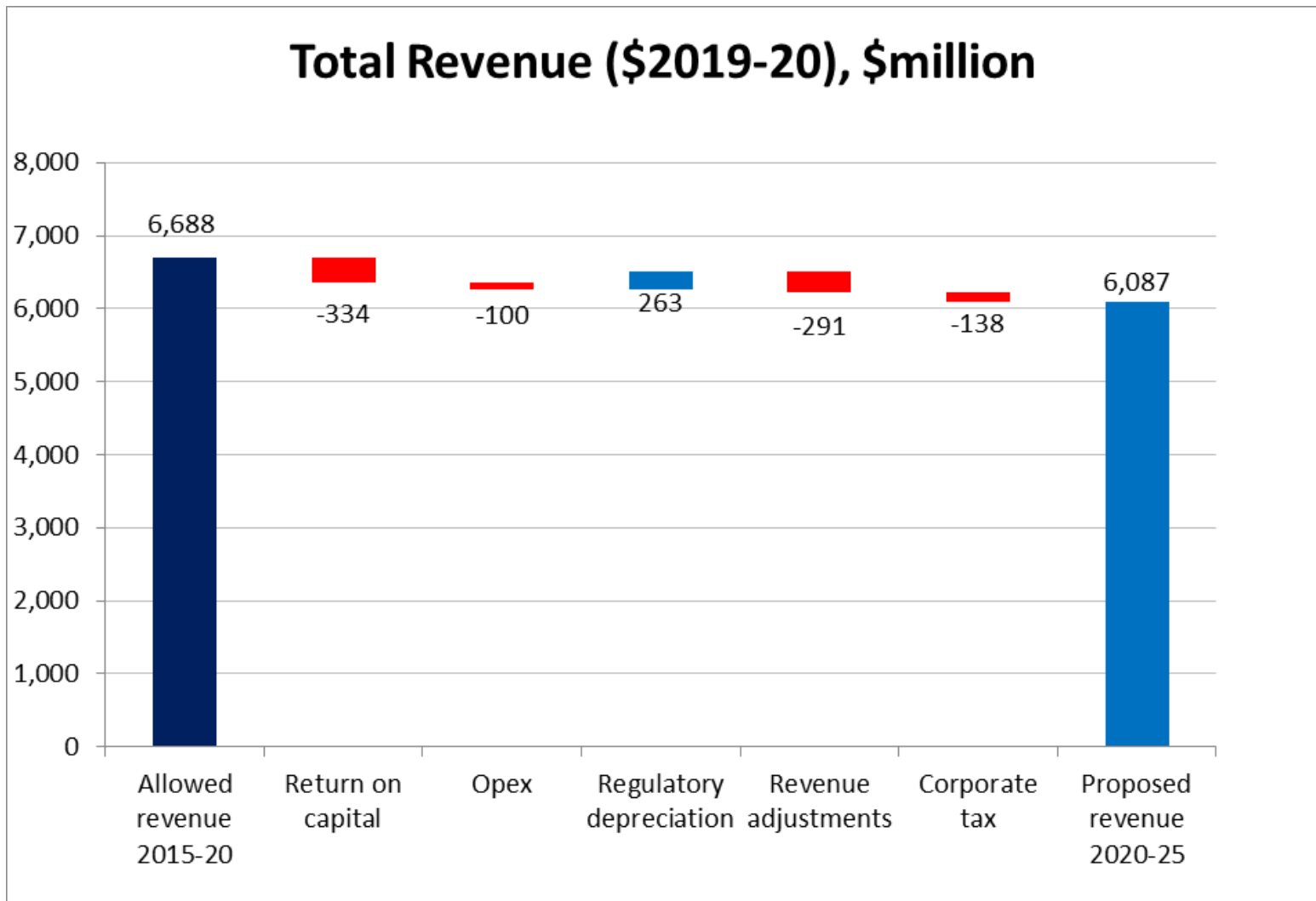
What would this proposal mean for Energex customers?

- Average annual decrease of *0.1% (\$, nominal) to distribution network charges
- Residential customer distribution network tariff:
 - Total decrease of \$3 (\$, nominal) over the 5 years
 - First year (2020–21) reduction of \$42 (\$, nominal)
- Small business customer distribution network tariff:
 - Total decrease of \$5 (\$, nominal) over the 5 years
 - First year (2020-21) reduction of \$64 (\$, nominal)

What would this proposal mean for Ergon Energy customers?

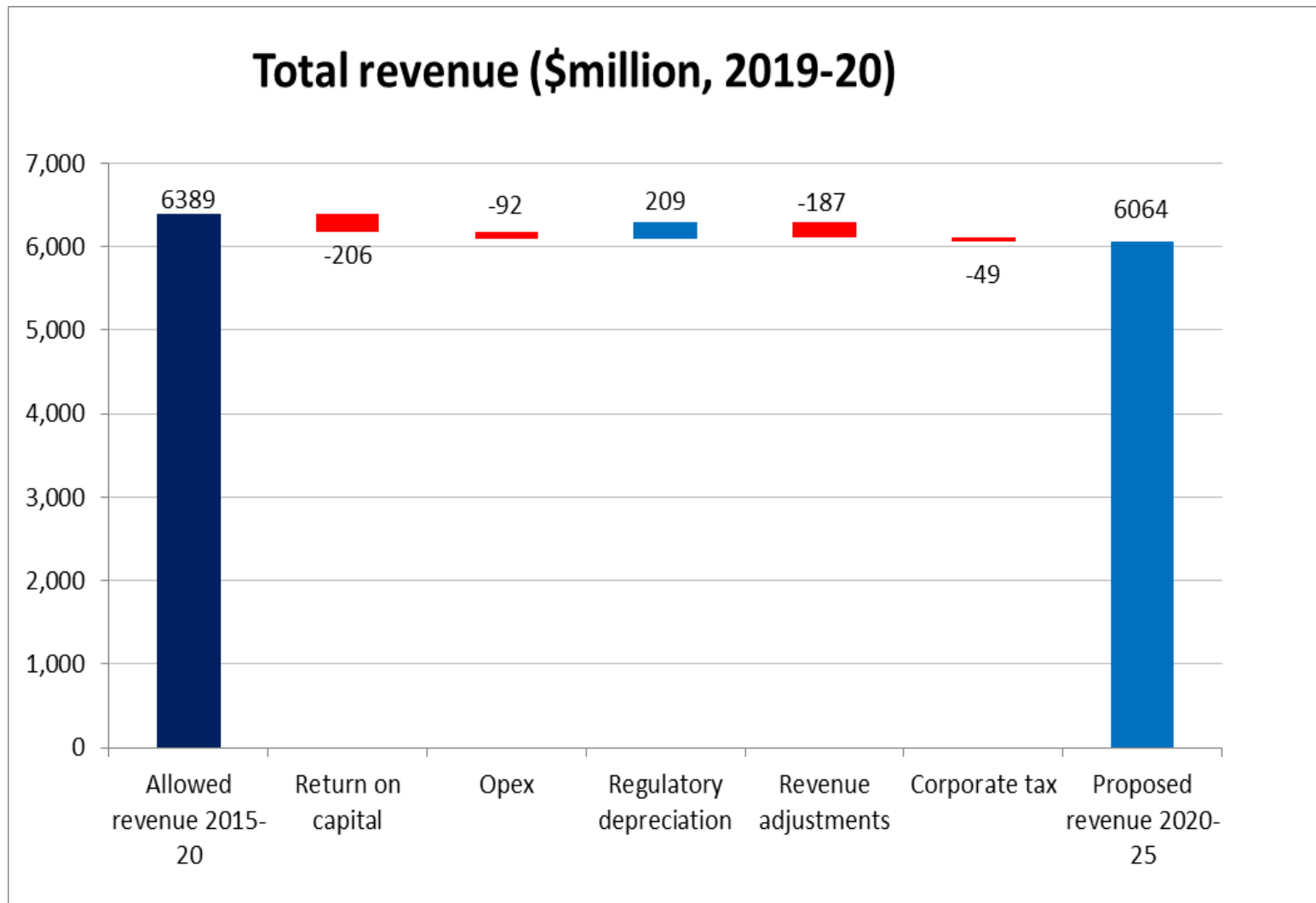
- Average annual increase of *0.2% (\$, nominal) to distribution network charges
- Residential customer distribution network tariff:
 - Total increase of \$5 (\$, nominal) over the 5 years
 - First year (2020–21) reduction of \$38 (\$, nominal)
- Small business customer distribution network tariff:
 - Total increase of \$7 (\$, nominal) over the 5 years
 - First year (2020-21) reduction of \$57 (\$, nominal)

Energex's change in revenue 2015-20 to 2020-25 (\$m, 2019-20)



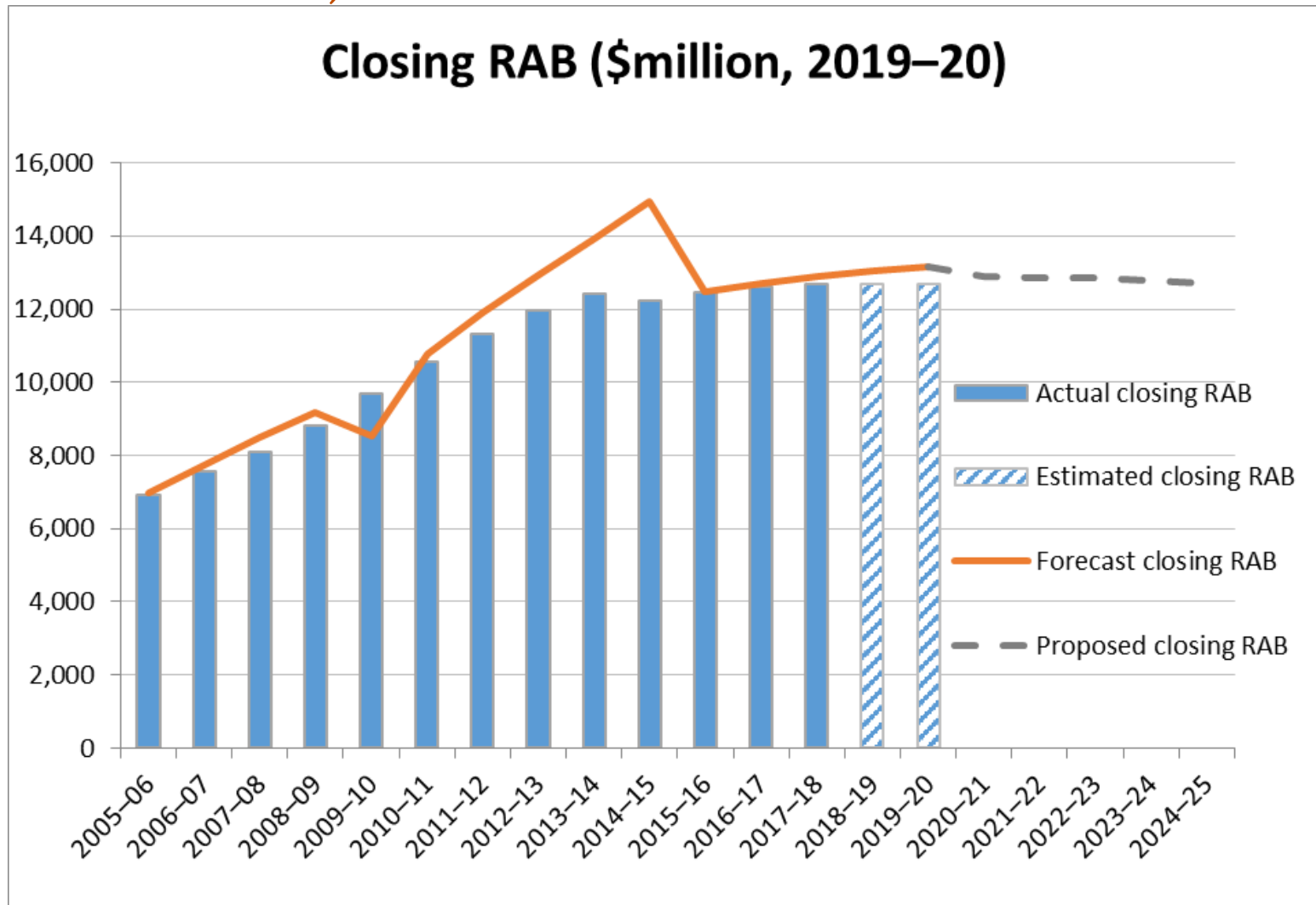
Source: AER analysis [Issues paper p. 15]

Ergon Energy's change in revenue 2015-20 to 2020-25 (\$m, 2019-20)



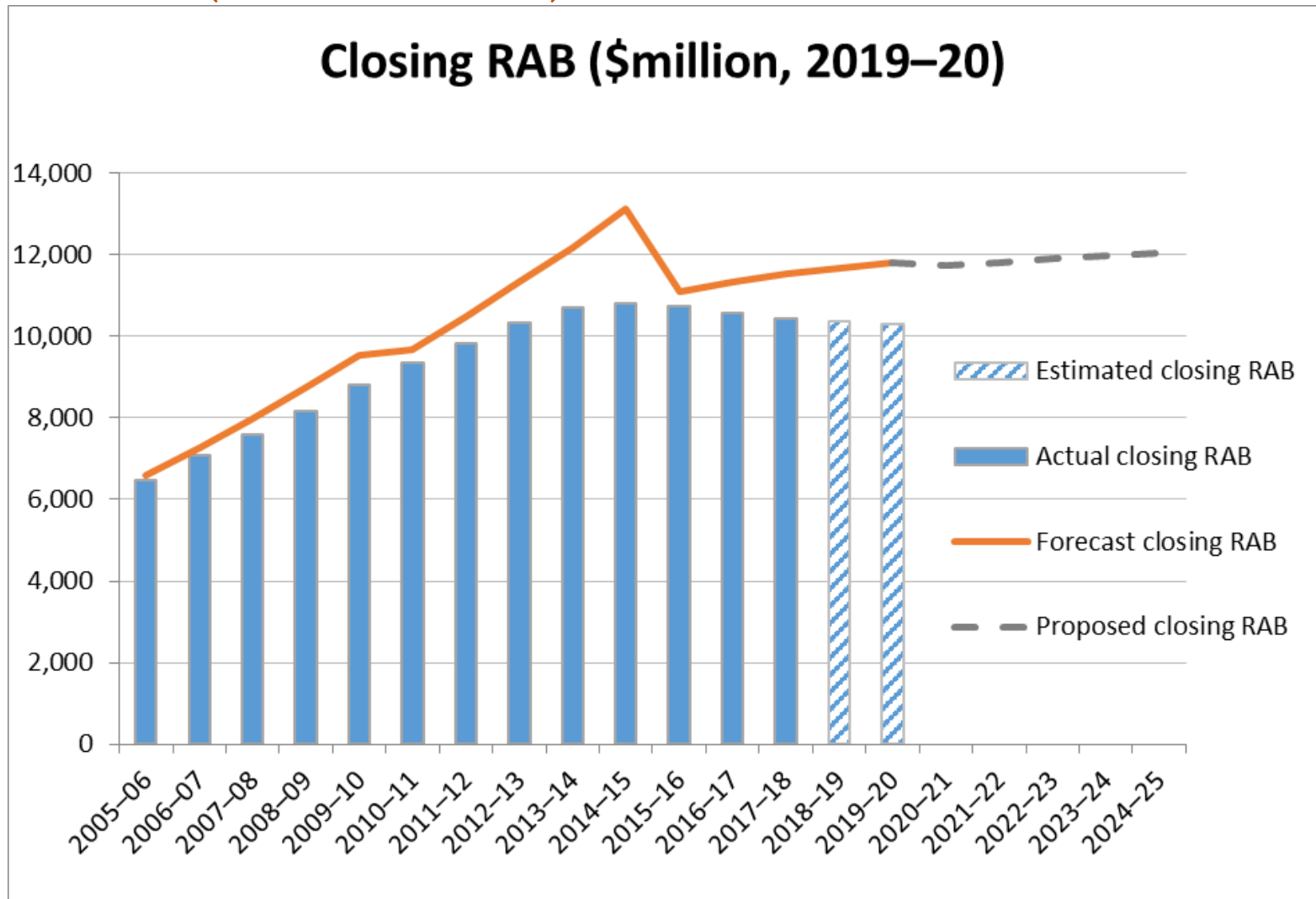
Source: AER analysis [Issues paper p. 17]

RAB Energex's value over time 2015-20 to 2020-25 (\$m, 2019-20)



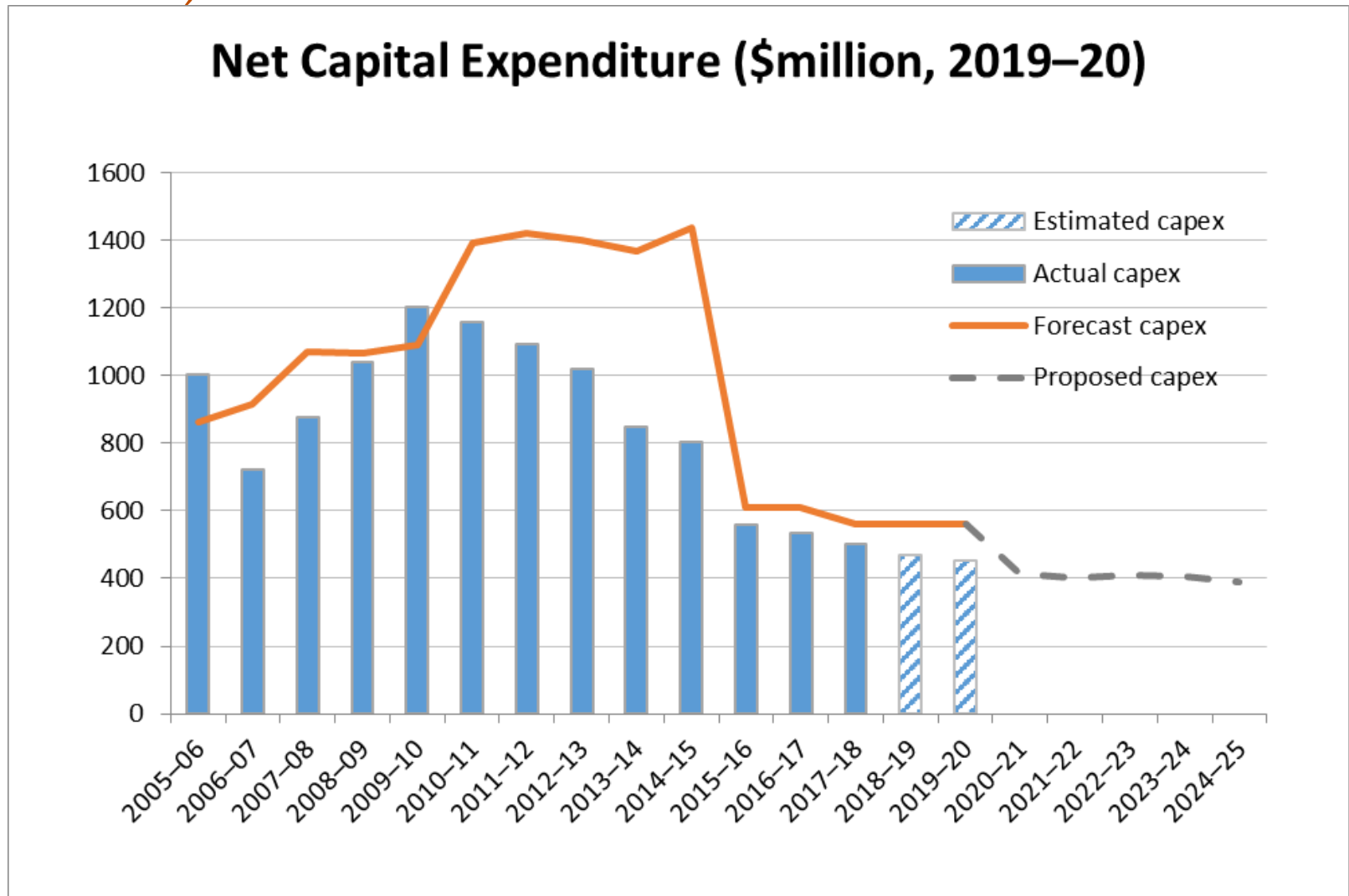
Source: AER analysis [Issues paper p. 24]

RAB Ergon Energy's value over time 2015-20 to 2020-25 (\$m, 2019-20)



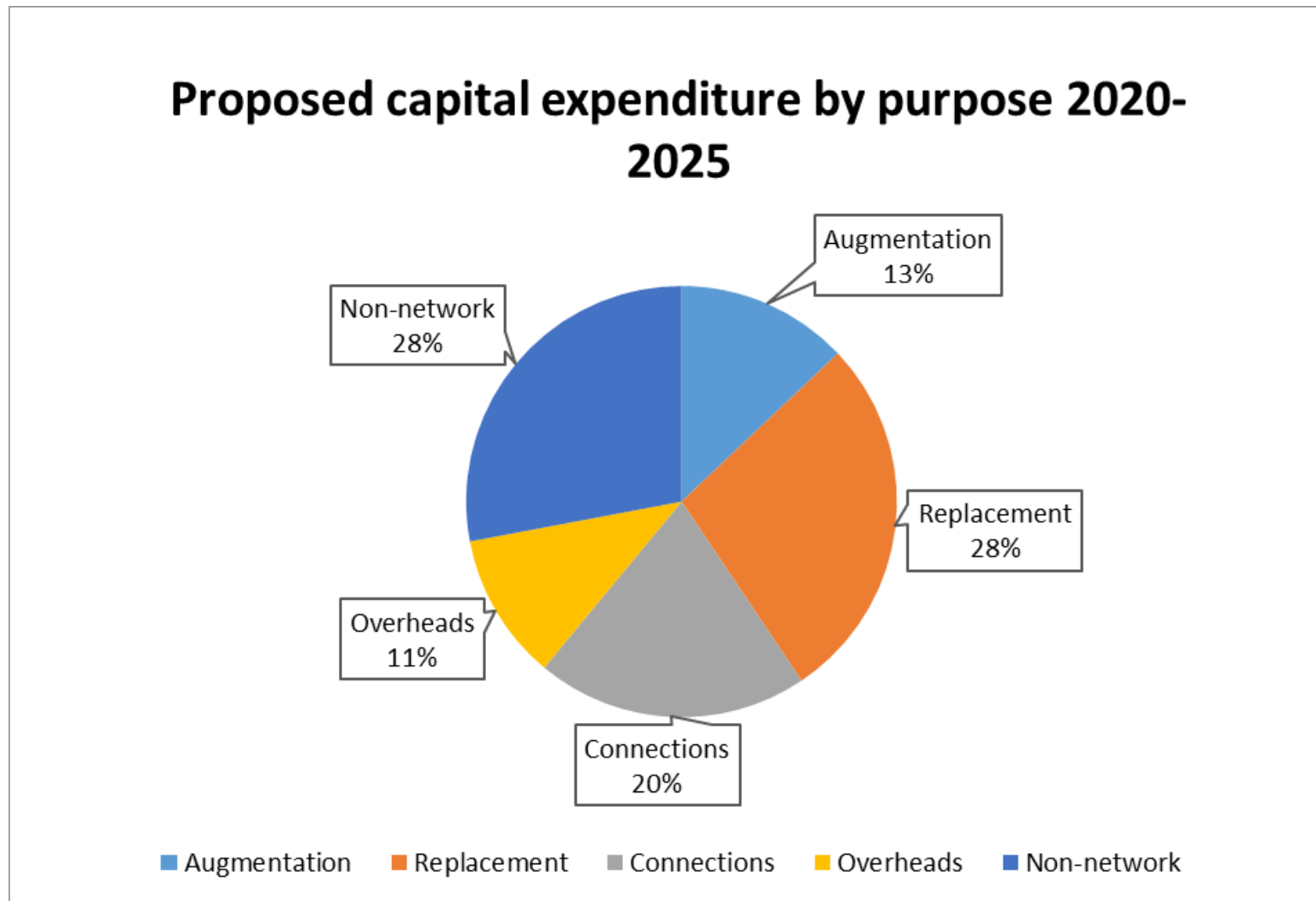
Source: AER analysis [Issues paper p. 36]

Change in Energex's capex 2015-20 to 2020-25 (\$m, 2019-20)



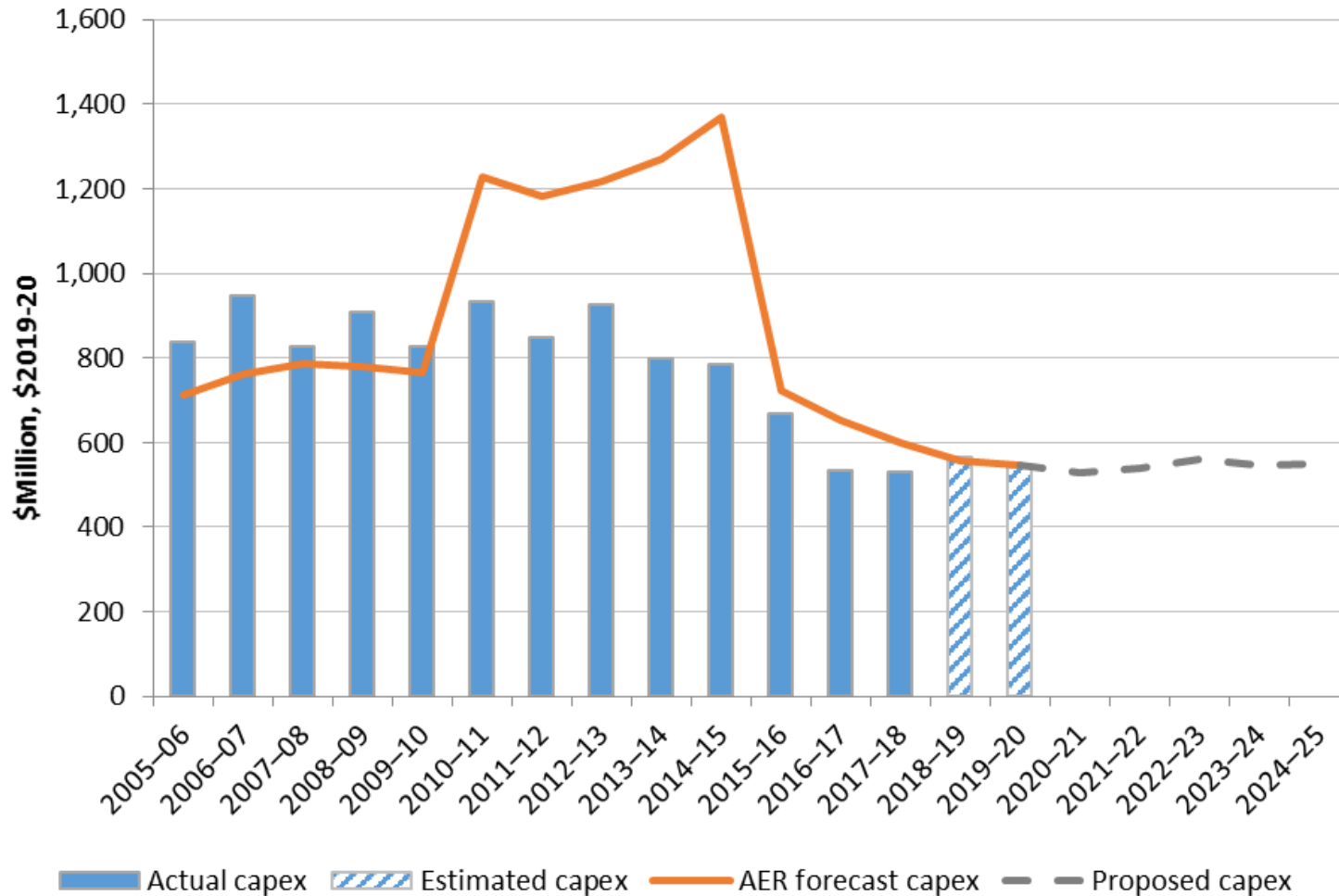
Source: AER analysis [Issues paper p. 25]

Energex's proposed capex 2020-25 by driver (\$m, 2019-20)



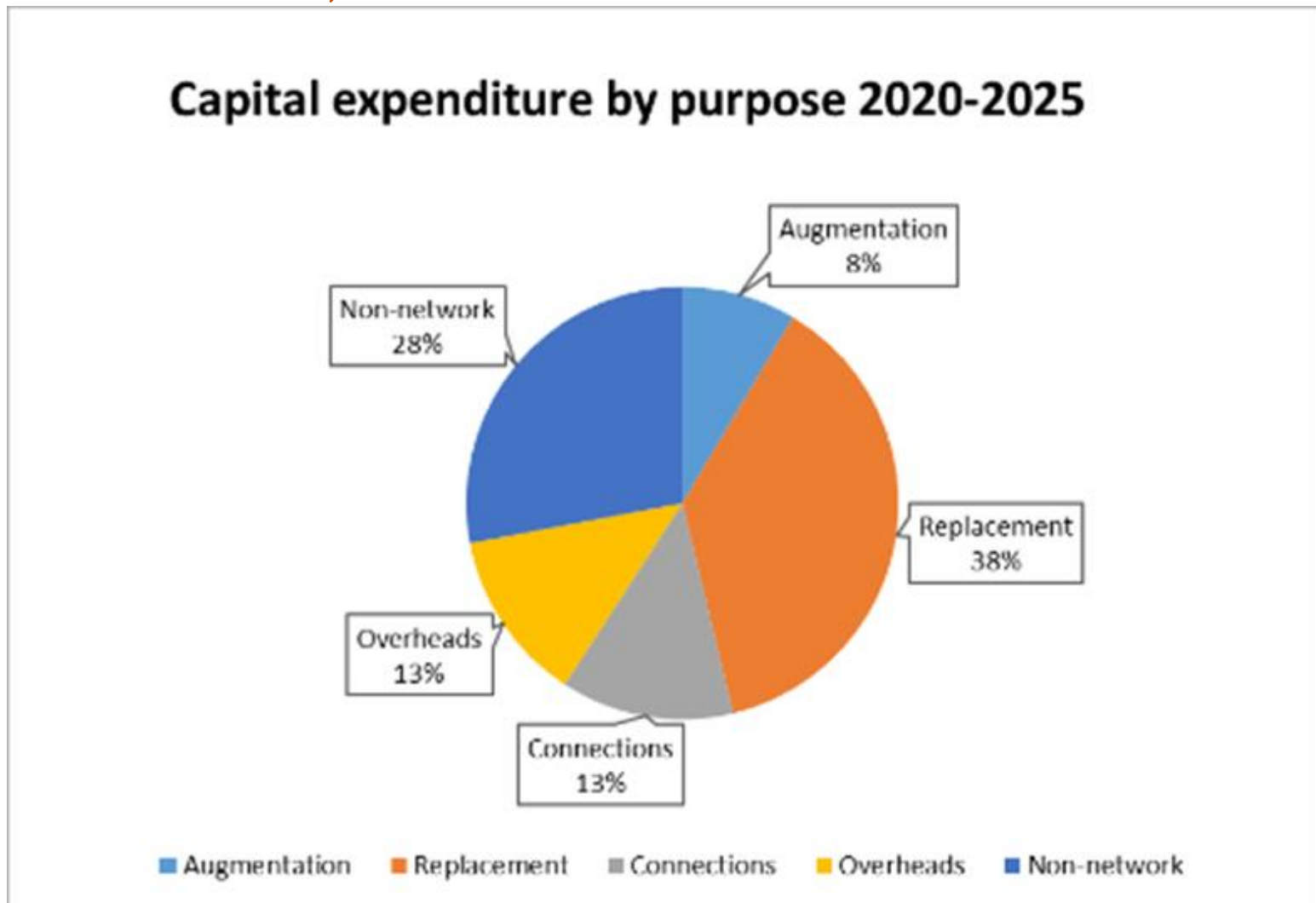
Source: AER analysis [Issues paper p. 27]

Change in Ergon Energy's capex 2015-20 to 2020-25 (\$m, 2019-20)



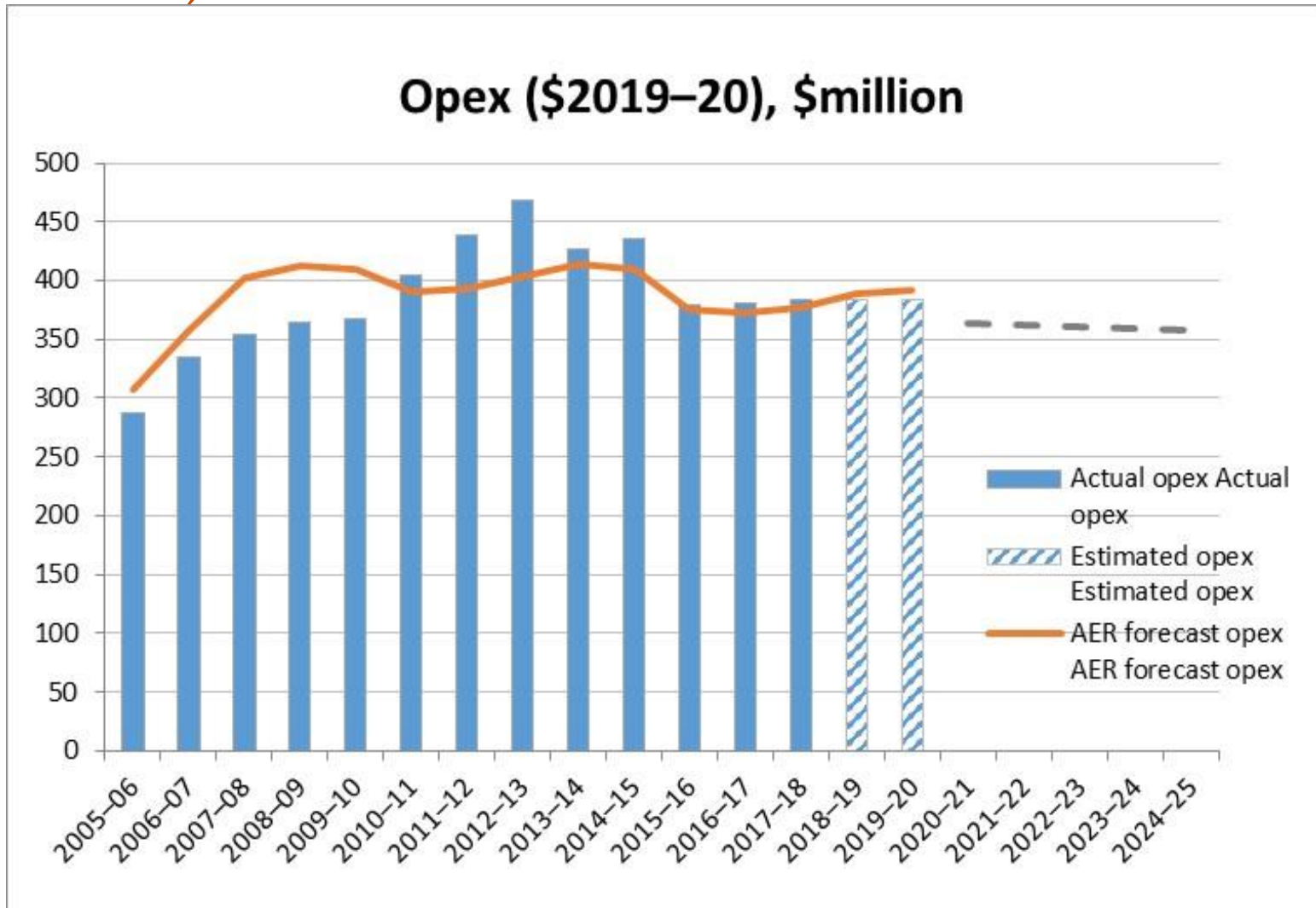
Source: AER analysis [Issues paper p. 38]

Ergon Energy's proposed capex 2020-25 (\$m, 2019-20)



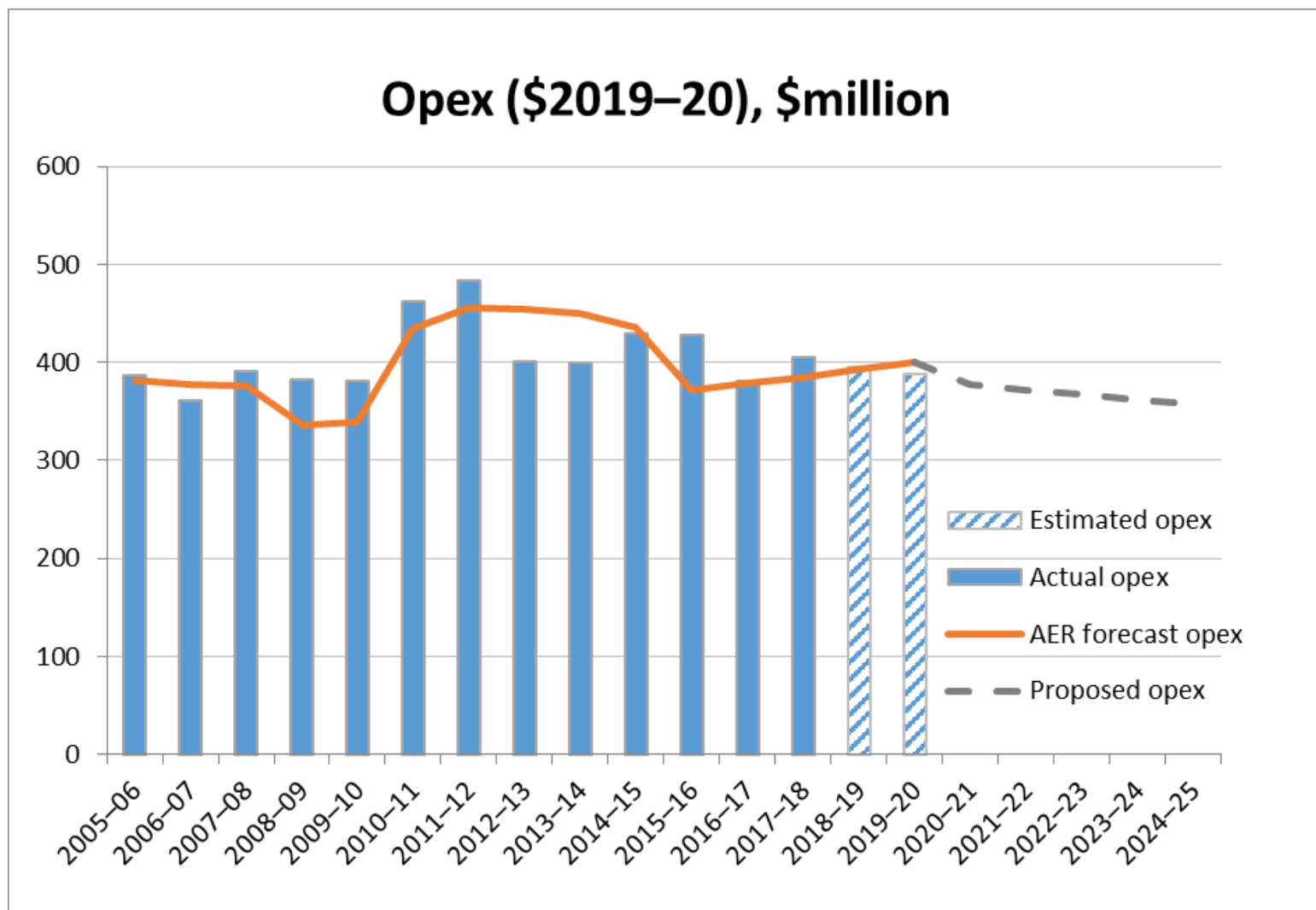
Source: AER analysis [Issues paper p. 39]

Change in Energex's opex 2005-10 to 2020-25 (\$m, 2019-20)



Source: AER analysis [Issues paper p. 31]

Change in Ergon Energy's opex 2005-10 to 2020-25 (\$m, 2019-20)



Source: AER analysis [Issues paper p. 43]

TSS

- Stakeholder engagement on Energex's and Ergon's TSS
 - Undertaking further consultation
 - Flat tariff
 - Time of Use and demand tariffs
 - Opt-in basis for alternative cost reflective tariffs
 - Existing customers with a smart meter

What happens next?

Milestone	Date
Energex and Ergon Energy submitted its proposal	31 January 2019
AER issues paper published	28 March 2018
Public forum on Energex's and Ergon Energy's proposal	9 April 2018
Submissions on AER's issues paper and Energex's and Ergon Energy's proposal due	16 May 2019
AER draft decision published	September 2019
Public forum on draft decision	October 2019
Energex and Ergon Energy submits its revised proposal	December 2019
Submissions on draft decision and revised proposal due	January 2020
AER final decision published	April 2020

Note: Timelines are subject to change.

How you can get involved

- Written submissions 16 May 2019
- Subscribe to our website for updates:
<https://www.aer.gov.au/newsletter/subscribe>
- Contact us:
[EnergyQueensland2020@aer.gov.au](mailto:EnergyQueensland2020@ aer.gov.au)