

**TasNetworks
2024-29
Transmission and
Distribution Revenue
Proposal
Online Public Forum**

Acknowledgement of Country

Jim Cox
AER Board Member

AER welcome and introductions

Jim Cox

AER Board Member

Agenda



Topic	Speaker	Duration
Welcome/ acknowledgment of country	Jim Cox, AER Board member	5 Mins
Network business presentation	TasNetworks	15 mins
AER areas of focus	Warwick Anderson, GM	10 mins
Consumer Challenge Panel (27) facilitated discussion	Helen Bartley	25 mins
Closing remarks, next steps - submissions 12 May	Jim Cox, AER Board member	5 mins



Powering a
Bright Future

AER Public Forum

TasNetworks Combined Proposal

Dr Seán Mc Goldrick, Chief Executive Officer

4 April 2023



Our Vision

Trusted by our customers to deliver today and create a better tomorrow.

Our Purpose

Powering a bright future.

Our DNA

Safety is at the heart of what we do.

Trusted to deliver.

We unify and respond to challenges.

We embrace diversity and forward thinking.

We are our customers too.



Success in 2030 looks like

- Sustainable prices for transmitting and distributing electricity.
- We are renowned for effectively managing and responding to challenges and risks that impact network services to customers and delivering solutions that are valued by customers.
- New wind farms, pumped hydro, photovoltaic solar electricity generators and batteries in Tasmania are reliably integrated into the electricity network.
- Marinus Link is moving electricity between the Tasmanian and other National Electricity Market electricity networks, benefiting customers across Australia.
- We are helping more Tasmanian consumers and businesses connect and utilise the electricity network the way they want, and to generate and manage their own electricity.



Combined Proposal objectives

OUR CUSTOMERS

We will genuinely engage with our customers and stakeholders to understand what is important to them and identify what aspects of the Combined Proposal they can influence and shape; build their knowledge and understanding of our operations, the energy sector and the revenue reset process; deepen their trust in our Combined Proposal

OUR PEOPLE

We will have the resources and capability to deliver the programs forecast for the forthcoming regulatory control period

OUR BUSINESS

We will adopt an innovative approach to network development and operations that delivers customer outcomes at the lowest sustainable price for our business

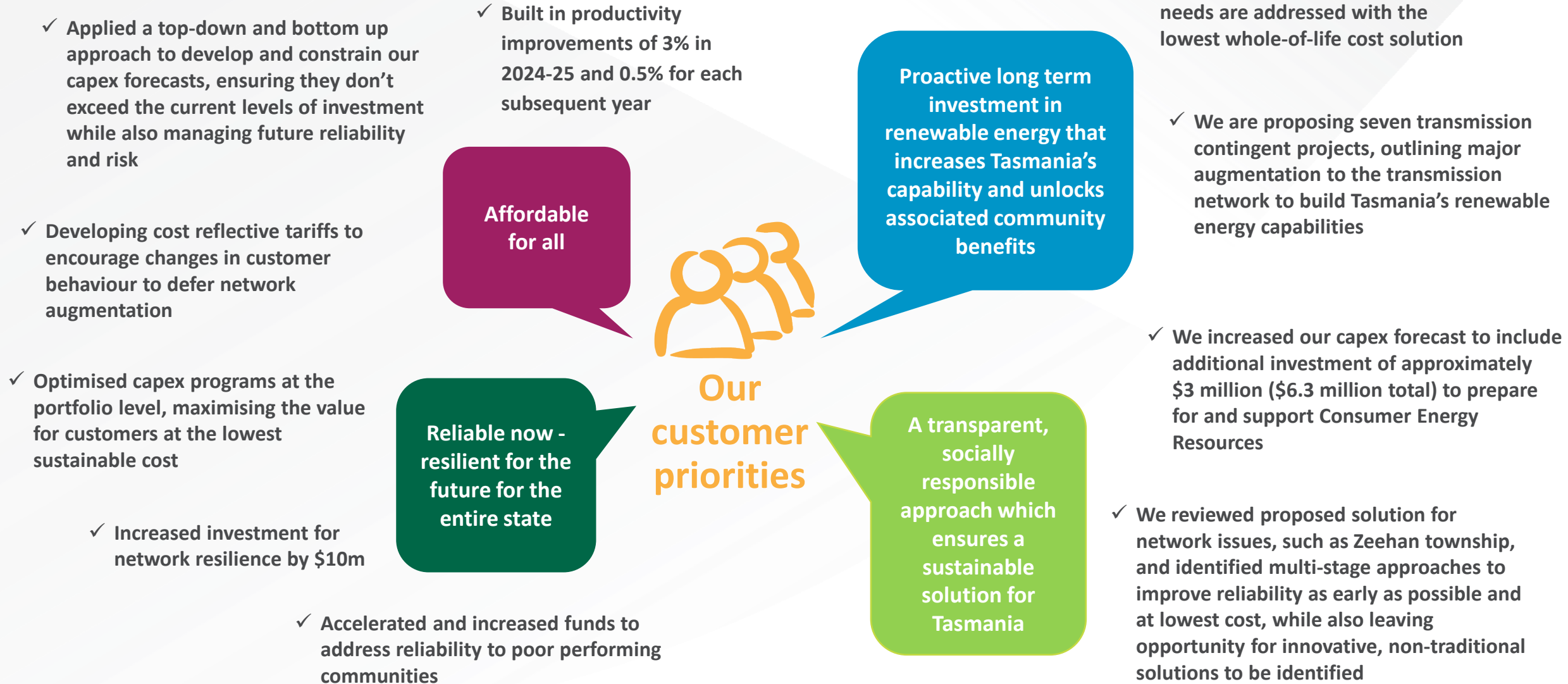
We will meet our compliance obligations, including those relating to reliability requirements, physical security, safety, environment, risk and other matters

We will develop a compliant submission that is capable of acceptance by the Australian Energy Regulator

OUR OWNERS

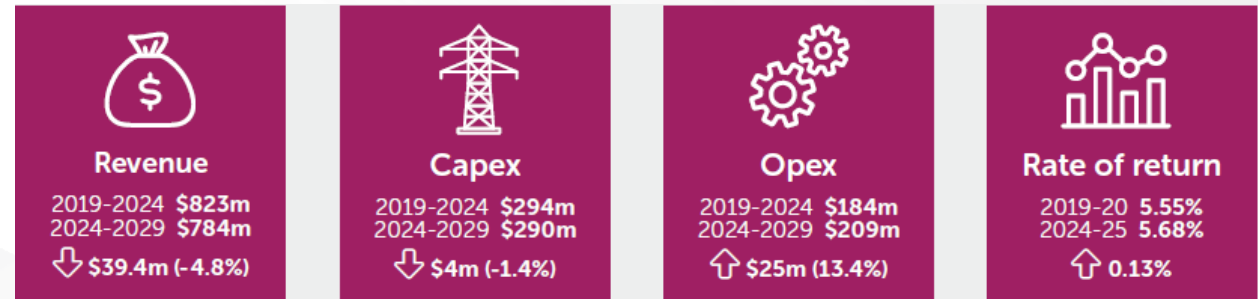
We will propose revenue allowances that deliver sustainable returns to our owners and sustainable and predictable pricing outcomes for our customers.

Reflecting customer priorities



Combined Proposal key outcomes

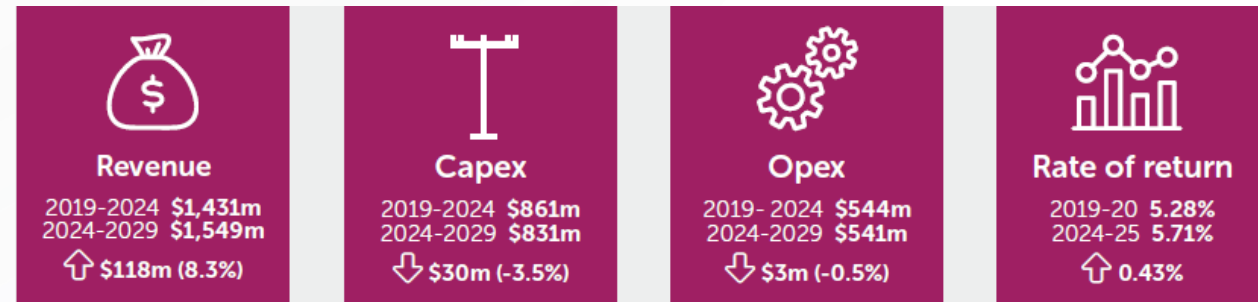
Transmission network



Electricity prices for transmission customers

1% decrease in first year (2024-25) followed by increases of approximately 1.5% each year after.

Distribution network



Electricity prices for distribution customers

5.9% increase in first year (2024-25) for residential customers (~\$45), followed by increases between 1.4% to 1.7% each year after.

2.2% increase in first year (2024-25) for small business customers (~\$62), followed by increases between 0.9% to 1.2% each year after.

Further information

We welcome your feedback on our Combined Proposal, either directly or through the AER's consultation process.

How to get in touch with us:

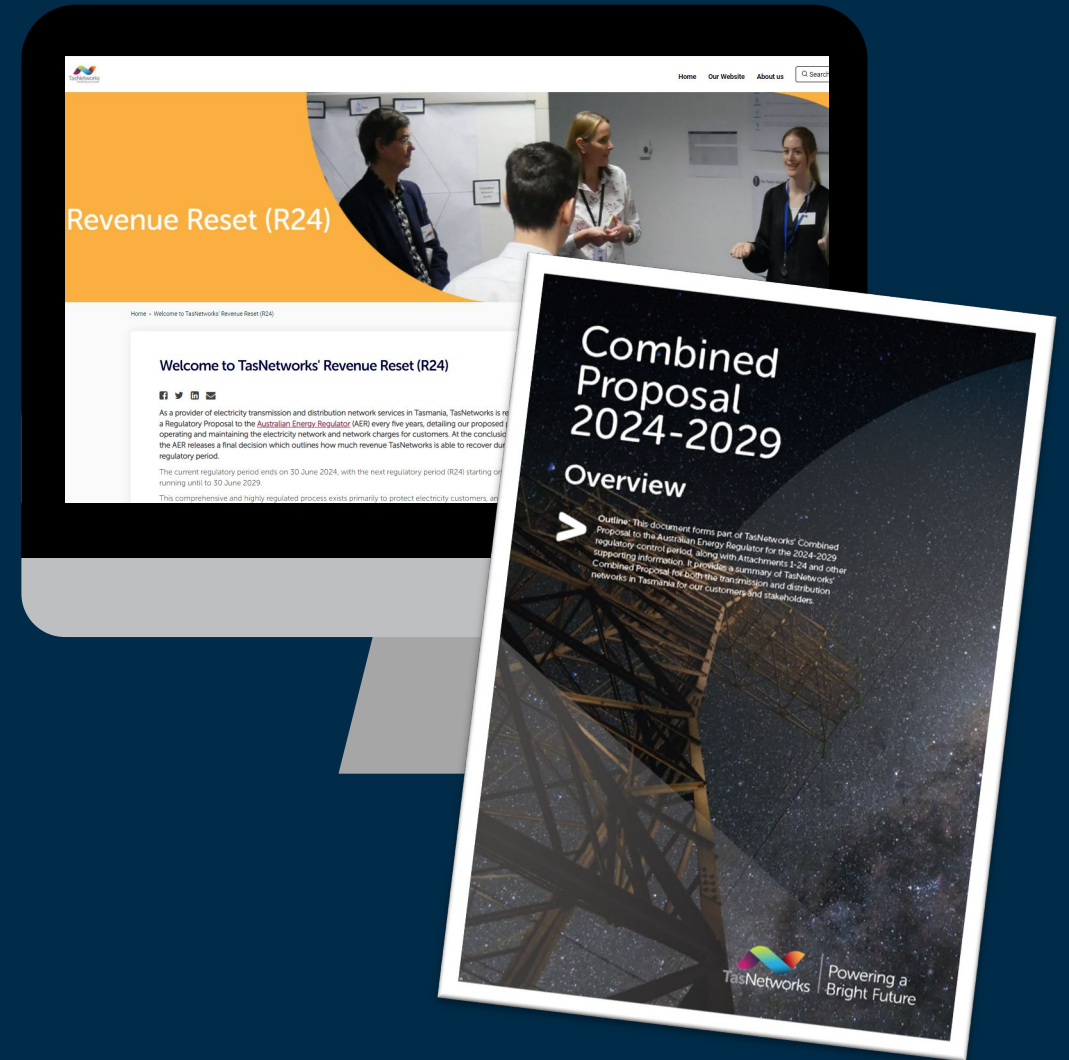
Revenue.Reset@tasnetworks.com.au

1300 555 727

Tasnetworks.com.au

Keep up with the latest revenue reset news on our dedicated engagement platform -

[Talk with TasNetworks](#)



AER areas of focus

Warwick Anderson
General Manager

Better Resets Handbook

- This is the first set of proposals lodged with the AER since the release of the AER's Better Resets Handbook (Handbook)
- The Handbook;
 - encourages well-justified revenue proposals that reflect the needs and preferences of consumers
 - provides for a more efficient regulatory process
- Network businesses have started to apply the Handbook in formulating their proposals and we have seen a step-up in the scope and quality of consumer engagement

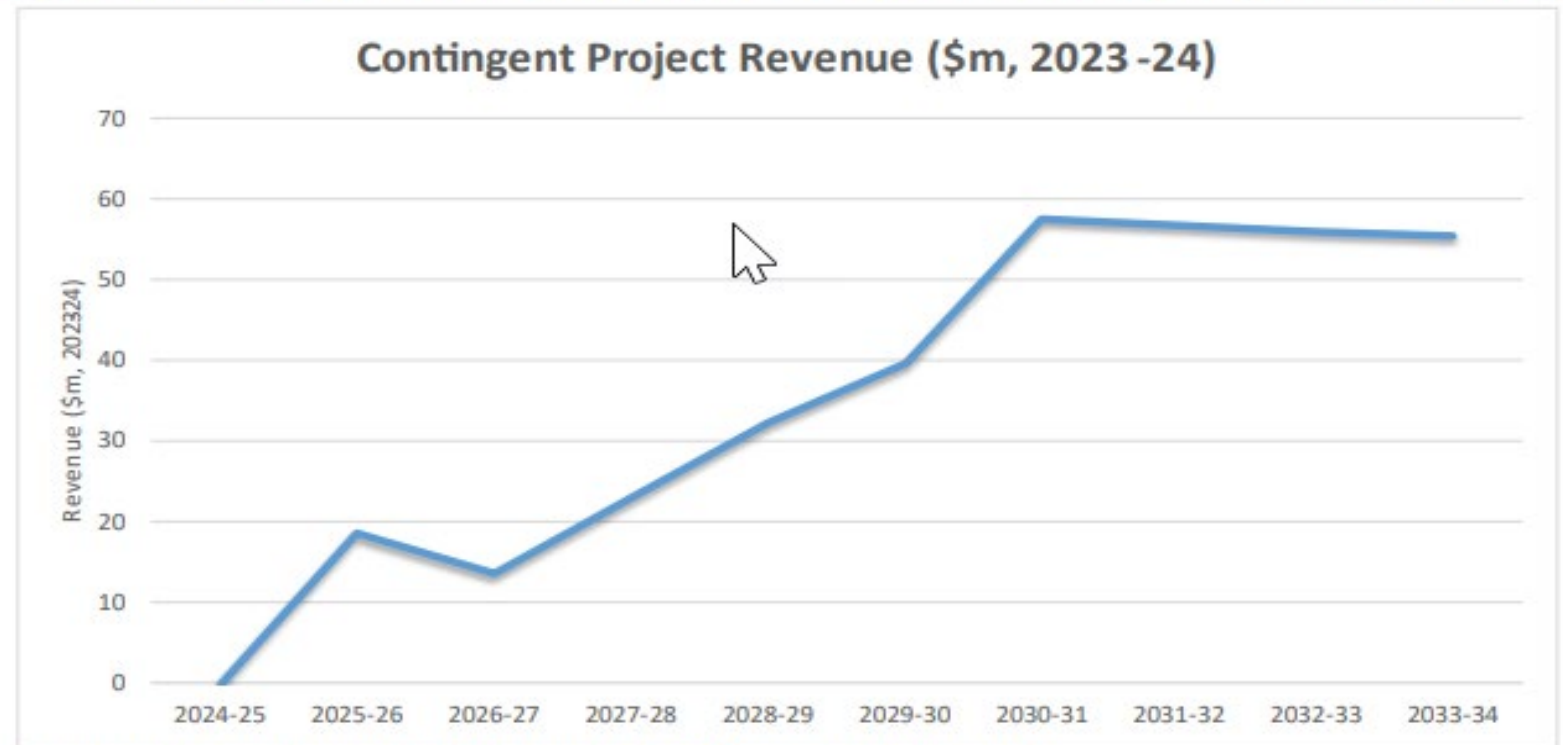
Common drivers across resets

- Economic conditions driving increases in rate of return
- Forecast inflation
- Cyber security and insurance premium cost increases

AER Areas of focus

- Contingent projects costs

Figure 12 TasNetworks' contingent projects additional revenue impact (\$million, 2023-24)



Source: TasNetworks, Response to information request IR004, Received 01 March 2023.

- Capex to maintain safe, reliable and secure services
- Opex and step changes

TasNetworks Electricity Transmission and Distribution Determination

CCP27 discussion questions for AER Stakeholder Forum
4 April 2023

CCP27: Helen Bartley, Robyn Robinson and Mike Swanston

Consumer
Challenge
Panel



Acknowledgement of country

TasNetworks traverse the lands of the palawa as the original owners and custodians of lutruwita (Tasmania)ions. We recognise the traditional owners of these lands and honour their customs and traditions and special relationship with the land.



In relation to regulated energy network businesses, advise the AER :

- Whether a network's proposal is in the long-term interests of consumers
- The effectiveness of network consumer engagement activities and how consumer interests are reflected in the development of their proposals

CCP27 was appointed in November 2021 to review TasNetworks (Tasmania) electricity distribution and transmission (2024-28) regulatory proposal

- In consultation with the AER and networks CCP27 is keen to explore four key issues we have identified related to TasNetworks proposals
- For the record, we have given TasNetworks advance notice of our questions, to enable it to provide a considered response
 - ▶ Equally we are genuinely keen to understand the perspectives of other stakeholders, and **we encourage your contribution to the conversation**

We would like to thank the AER for the opportunity to engage with stakeholders in this forum and TasNetworks for agreeing to be put on notice today

TasNetworks: How did you balance customer and stakeholder views to shape your proposals?

Others: To what extent do you agree? Have they missed anything?

- TasNetworks estimate annual network charges for residential customers will increase by 5.9% in 2024-25
- Network charges business customers for will increase by around 2.2%.
- Network charges for industrial customers are forecast to decrease by 1.0%
- ~1.5% increases until 2029 for all customer types

TasNetworks: Why are bill impacts higher for residential customers?

Others: Your thoughts?

TasNetworks: What customer benefits have been achieved and are planned, given the significant expenditure in non-recurrent ICT investments in the current regulatory period? How have these improvements been reflected in your 2024-29 Proposal?

Others: Your thoughts?

TasNetworks' contingent projects potentially have a significant impact on their capex forecast, and therefore a potentially significant bill impact.

TasNetworks: What is the anticipated increase and how can this be reconciled with customers' concerns about affordability?


Others: Your thoughts?

To finish ...

- **Others: Are there other questions or issues related to TasNetworks combined proposal that you would like the CCP to consider?**

Thank you
for engaging with us today

AER next steps and closing

Milestone	Date
TasNetworks submits its regulatory proposal to AER	31 January 2023
AER published an issues paper	28 March 2023
AER holds a public forum	4 April 2023
 Submissions on regulatory proposal close	12 May 2023
AER publishes draft determination decision	by 30 September 2023
AER holds a pre-determination conference	October 2023
TasNetworks submits revised regulatory proposal to AER	December 2023
Submissions on revised regulatory proposal and draft decision close	January 2024
AER publishes distribution determination for regulatory control period	by 30 April 2024

Submission details

- We invite interested parties to make submissions on the Issues Paper by **5pm AEST, 12 May 2023**.
- **We encourage early submissions, where possible, to inform the next phase of consultation.**
- Submissions should be emailed to AERresets2024-29@aer.gov.au

