

AusNet Transmission Revenue Reset Post-Lodgement Engagement

Collaborative Workshop #6 Report | Friday 6 August 2021

Background

This workshop is #6 in a series of collaborative workshops to inform AusNet's Revised Revenue Proposal for its Transmission Revenue Reset.

Collaborate Workshop #6 is the final workshop in the series. The objectives of this session were to:

- provide an overview of AusNet's Revised Proposal and answer stakeholders' questions on it
- provide a summary of key findings from all Collaborative Workshops, and
- discuss how our Revised Proposal reflects the customer and stakeholder feedback we received.

AusNet facilitated this workshop. The workshop was held on Microsoft Teams.

Participants

Chair		
Adrian Hill – Acting Executive General Manager, Regulation and Corporate Affairs, AusNet Services		
Stakeholder Name	Organisation	Attendance
Andrew Richards	EUAA	Attended
Bev Hughson	AER CCP	Attended
Bridgette Carter	BlueScope Steel	Attended
David Headberry	Major Energy Users	Attended
Gavin Dufty	St Vincent de Paul	Attended
Thanh Bui	Jemena	Attended
David Prins	AER CCP	Attended
Grace Smith	KPMG	Attended
Joseph Shomali	ACCC	Attended
Matt Pearce	KPMG	Attended
Meg Zerafa	ACCC	Attended
Nick Eaton	Alcoa	Attended
Tony Narvaez	AusNet	Attended
Adrian Hill	AusNet	Attended
Tom Hallam	AusNet	Attended
Charlotte Eddy	AusNet	Attended
Herman De Beer	AusNet	Attended
Angella Nhan	AusNet	Attended
Stephanie Judd	AusNet	Attended
Robert Ball	AusNet	Attended
James Bleed	AusNet	Attended
Lucy Holder	AusNet	Attended

Martin Cavanagh	AusNet	Attended
Monico Aquino	AusNet	Attended
Aesop Ahn	ACCC	Apology
Andrew Chow	ACCC	Apology
Joe Spurio	AEMO	Apology
Adam Peterson	AER	Apology
Belinda Sheldrick	AER	Apology
Craig Oakeshott	AER	Apology
David Monk	AER	Apology
Evan Lutton	AER	Apology
Jane Kelly	AER	Apology
Lynley Jorgensen	AER	Apology
Israel del Mundo	AER	Apology
Mark Henley	AER CCP	Apology
Tennant Reed	AI Group	Apology
Aaron Tan	Air Liquide	Apology
Simon Elias	Air Liquide	Apology
David Markham	Australian Energy Council	Apology
Elizabeth Carlile	CitiPower / Powercor	Apology
Tom Parkinson	Clean Energy Council	Apology
Ben Ferguson	DELWP	Apology
Jess Young	DELWP	Apology
Steve Foster	DELWP	Apology
Mark Grenning	EUAA	Apology
Prajit Parameswar	Hydro Tas	Apology
Rudi Strobel	Jemena	Apology
Inushka Dassanayake	Total Eren	Apology
Trevor Lim	Total Eren	Apology
Roshanth Sivanathan	United Energy	Apology

Agenda:

Time	Duration	Topic	Lead
9:30am	5min	Welcome	AusNet
9:35am	5min	Introduction: context and purpose	AusNet
9:40am	30min	AusNet MD Presentation and Q&A	AusNet
10.10am	5min	Re-cap of engagement process and collaborative workshops	KPMG
10.15am	60min	How AusNet's Revised Proposal reflects customer and stakeholder feedback	KPMG & AusNet
11.15am	5min	Next steps for TRR process	AusNet
11.20am	10min	Discussion items & close	AusNet

Minutes

Topic	What Stakeholders Said	How AusNet Responded
<p>Welcome AusNet welcomed participants to Collaborative Workshop #6 – the final in AusNet's Post-Lodgement Engagement Program.</p>	N/A	N/A
<p>Introduction: Context and Purpose AusNet provided an overview of the engagement activities to date.</p>	N/A	N/A
<p>AusNet MD Presentation and Q&A AusNet's Managing Director, Tony Narvaez, thanked stakeholders for their contributions to AusNet's Revenue Proposal. Tony referenced the many changes and challenges that AusNet's transmission network is facing (including that the operating environment is highly changeable and fast-moving), and that it is a whole of industry effort to maintain a secure, reliable and affordable system throughout. Tony said that AusNet's proposal relies heavily on cost pass-throughs where costs cannot be accurately estimated, to help ensure customers are not paying more than they need to.</p>	<p>The issues raised by stakeholders included:</p> <ul style="list-style-type: none"> • the collegiality in the networks industry at present • the string of unlucky events AusNet has faced over the past few years • the need for improved governance on many matters that impact AusNet's network and network costs (e.g. transparency of government transmission planning processes, REZs, big battery projects etc). Stakeholders said they want clear communication on how much projects and decisions cost, where risk lies, the costs to consumers, and the value that these investments provide the industry • the lack of transparency around the VicGrid initiative, Moorabool battery project and ISP projects • the Victorian Government's easement tax and stakeholders' desire for AusNet to not become an intermediary for state taxes, and • the relationship and delineation of responsibilities between AusNet and AEMO, and whether AusNet should assume planning and implementation responsibilities for Victoria. 	
<p>Re-cap of engagement process and collaborative workshops AusNet and KPMG provided an overview of the topics discussed and stakeholder views on them.</p> <p>How AusNet's Revised Proposal reflects customer and stakeholder feedback AusNet demonstrated how stakeholder input on capex and opex has been reflected in its Revised Proposal.</p> <p>AusNet provided a detailed re-cap of the opex workshop (Collaborative Workshop #5).</p>	<p>Stakeholders were asked to confirm that AusNet has interpreted their inputs correctly and felt these views had been accurately reflected in the Revised Proposal. Many stakeholders indicated their agreement and AusNet stressed that it welcomes further feedback at any stage in the lead-up to its Revised Proposal being lodged.</p> <p>Stakeholders agreed that AusNet's summary of Collaborate Workshop #5 accurately reflected the discussion.</p> <p>Stakeholder discussion included:</p>	<p>AusNet accepted all stakeholder comments. Nothing contentious or new was raised in this session.</p>

<p>AusNet shared its analysis on the impacts of the Revised Proposal on bills. AusNet highlighted that as residential and some small business customers consume more of their own energy, an increasing proportion of the transmission costs are being met by large customers.</p>	<ul style="list-style-type: none"> • clarification on TUOS, NUOS and DUOS charges, and that these (particularly TUOS) need to be more transparent • supporting comments from CCP members that incentive schemes need to be reviewed (while protecting consumers' interests), and • the importance of retaining transmission productivity in a complex operating environment. 	
<p>Close & Next Steps AusNet asked for feedback on its post-lodgement engagement program to date (particularly the collaborative workshops), which is summarised at right.</p> <p>AusNet thanked:</p> <ul style="list-style-type: none"> • participants for their extremely valuable input and time • the AER's CCP • AEMO for contributing to relevant discussions, and • KPMG for their support administering the workshop series. 	<p>Stakeholder Feedback Stakeholders were very complimentary of AusNet's post-lodgement engagement program during the workshop. Stakeholders praised:</p> <ul style="list-style-type: none"> • AusNet's openness and honesty during the post-lodgement engagement program • AusNet's willingness to be challenged and asked hard questions • AusNet focusing its engagement on the topics that are important to stakeholders, even when they might not be directly relevant to the regulatory process. <p>Stakeholders have been asked to provide AusNet with further feedback via a survey that will be distributed soon.</p>	<p>AusNet reiterated that it welcomes stakeholder input and feedback at any time as it prepares its Revised Proposal. Once AusNet has submitted its Revised Proposal, there will be an opportunity to provide further input during the AER's engagement process.</p>