

2023-27

POWERLINK QUEENSLAND REVENUE PROPOSAL

Appendix 3.04 – PUBLIC

Terms of Reference for the Revenue Proposal Reference Group

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2023-27 Revenue Proposal Reference Group

Terms of Reference

September 2019



Purpose

As part of engagement on its 2023-27 Revenue Determination process, Powerlink will establish a separate Revenue Proposal Reference Group (RPRG) from the membership of its existing Customer Panel.

The RPRG is an advisory body that will meet more frequently than Powerlink's Customer Panel. This will allow for more detailed discussion, in particular during the Revenue Proposal pre-lodgement phase, and ensure Powerlink's Revenue Proposal is aligned with customer and stakeholder expectations. The RPRG will also be reviewed post-lodgement of Powerlink's Revenue Proposal to determine whether it is required to continue pre-lodgement of the Revised Revenue Proposal.

Objectives

- Enable in-depth and timely discussion on key elements of Powerlink's Revenue Proposal, including facilitating customer and stakeholder views on the reasonableness of Powerlink's proposed positions within its Revenue Proposal
- Ensure customer and stakeholder perspectives and preferences are accurately identified and Powerlink has had regard to customer and stakeholder views
- Report back to the wider Customer Panel on insights from discussions for further consideration
- Build understanding of Powerlink's business and revenue requirements
- Identify areas where further research or analysis may be required.

Role of the RPRG

The RPRG will be advisory in nature, with members engaged at the appropriate level of the International Association of Public Participation (IAP2) Spectrum as per Powerlink's 2023-27 Revenue Determination Process Engagement Plan.

The RPRG will not act as a negotiating party on the Revenue Proposal. Powerlink's goal is to reach agreement on relevant aspects of its Revenue Proposal with the full Customer Panel, following input from the RPRG.

Tenure and review

The RPRG will be stood up from October 2019 to February 2021 at a minimum. Reviews will be undertaken at regular intervals:

- March 2020, to ensure the RPRG is meeting its intended objectives.
- March 2021, following lodgement of the Revenue Proposal. This review will include consideration of whether the RPRG continues post-Revenue Proposal lodgement.
- May 2022, following the Final Decision by the AER to assess the overall performance of the RPRG and identify lessons learnt for future engagement.

RPRG membership

Standing membership

The RPRG will comprise the following standing members:

- A minimum of three and a maximum of five representatives from Powerlink's Customer Panel
- Powerlink General Manager Network Regulation
- Powerlink General Manager Communications
- Powerlink Manager Revenue Reset.

A Powerlink employee will also attend as secretariat for the RPRG.

Invited stakeholders

Powerlink will also invite the following stakeholders to RPRG meetings:

- Representatives from the Australian Energy Regulator (AER)
- Members of the AER's Consumer Challenge Panel (CCP)
- All other Customer Panel members.

It is not expected that the above stakeholders attend every meeting. Attendance is at their discretion based on topics to be discussed.

Recruitment

Recruitment from the Customer Panel will take place through an Expression of Interest (EOI) process, based on the following criteria:

- Appropriate representation of Powerlink's broader customer and stakeholder perspectives
- Ability to attend meetings and meet the required time commitments
- Relevant expertise and experience to appropriately contribute to the engagement process and discussions.

Induction

Powerlink will provide an induction to RPRG members to appropriately prepare them for involvement in the RPRG. This induction will occur as part of the first RPRG meeting and then as required should any new RPRG members be on boarded at later stages of the process.

Management of RPRG meetings

Frequency and duration

The RPRG will meet on a monthly basis until Powerlink's Revenue Proposal is submitted in January 2021, with meeting times typically two to three hours in duration. The first RPRG meeting will be held in October 2019. Powerlink will provide a calendar of meetings to participants to coordinate involvement.

Powerlink's intention is that all meetings make best use of RPRG members' time. Given this, changes to the frequency and duration of meetings may need to occur depending on the topics and information for discussion (e.g. needing more time for an individual meeting, deciding to combine a Customer Panel and

RPRG meeting or deferring a meeting as it is unnecessary or more time is needed to prepare appropriate information). Any changes will occur with the agreement of the RPRG.

Location

The RPRG will meet at Powerlink's Virginia offices.

Attendance and proxy

RPRG members are expected to attend all meetings of the RPRG in person. Non-attendance at two or more meetings without appropriate reason may result in Powerlink and the RPRG members reviewing the representatives' ongoing membership of the RPRG.

RPRG members are not to send proxies/delegates to meetings.

Teleconference arrangements will be made available by very limited exception when RPRG members are unable to attend in person.

Chair, facilitator and secretariat

RPRG meetings will be chaired by the Manager Revenue Reset, with the General Manager Communications facilitating interactive discussions. Powerlink will provide secretariat support.

Resignations and vacancies

Should a RPRG member resign from their respective organisation, it will be at the discretion of the RPRG Chair whether that member can continue service on the RPRG.

Should a RPRG member resign from the RPRG itself, membership will not automatically transfer to another representative of their organisation.

Vacancies on the RPRG will be filled on an 'as needed' basis. Recruitment for vacant positions will be as per the previously outlined recruitment process for the RPRG.

Agenda, minutes and reporting

An agenda and relevant briefing material will be circulated as early as possible prior to RPRG meetings and no less than three days before the meeting itself.

Minutes of the meeting will be taken and will record topics discussed, actions required and any requests. Minutes will be distributed to all Customer Panel members, made available on the Powerlink website and shared internally to Powerlink employees as appropriate.

Members of the RPRG will formally report back on meeting discussions and insights at each Customer Panel meeting.

Powerlink commits to reporting all material discussions and customer views to its senior management as appropriate (i.e. Executive and/or Board) and 'looping back' to the RPRG on actions taken and decisions made.

Conflicts of interest

All RPRG members are expected to disclose any actual, potential or perceived conflicts of interest that may arise during their tenure as a RPRG member. Conflicts of interest will be recorded in the minutes of RPRG meetings and the appropriate remediation for any conflicts will be determined by the RPRG on a case-by-case basis.

Third party involvement

AER CCP

Members of the AER CCP will be invited to attend and observe RPRG meetings. It will be at the discretion of the AER's CCP Chair which meetings are attended and by whom.

The AER CCP has a valuable role to play in the Revenue Determination process and their involvement is welcomed within the RPRG, noting that the AER CCP's objective is to advise the AER on:

- whether network businesses' proposals are in the long-term interests of consumers
- the effectiveness of network businesses' engagement activities with their customers and how this is reflected in the development of their Revenue Proposal¹.

AER representatives

AER representatives will be invited to attend RPRG meetings, with attendance to be coordinated by the relevant AER Director for Powerlink's Revenue Determination process.

The role of AER attendees at RPRG meetings is to provide information, where appropriate, on technical and regulatory matters.

The views expressed by AER representatives are intended to provide initial input to the RPRG and will not bind the AER Board.

Powerlink will also be engaging regularly with the AER throughout the Revenue Determination process outside of the RPRG.

Access to resources and support

Sitting fees and financial support

Sitting fees of \$200/hour (including GST) will be paid to members of the RPRG. Each individual member will be given the option on whether to receive sitting fees. These fees may be waived by members if they so wish.

In addition, Powerlink will consider making funding available to the RPRG for relevant and appropriate activities (e.g. commissioning independent research). Any funding requests must be approved by both Powerlink and the Customer Panel.

¹ AER CCP objectives: <https://www.aer.gov.au/about-us/consumer-challenge-panel>

Travel costs

Powerlink recognises that not all RPRG members may be based in Brisbane. Members who have to travel to attend meetings will have the cost of their flights and accommodation reimbursed by Powerlink under the following conditions:

- Flight costs and accommodation will be reimbursed for RPRG members only.
- RPRG members will travel economy class.
- Powerlink will not reimburse transfer or food and beverage costs.

Non-financial support

Powerlink will also provide necessary non-financial support (e.g. education on regulatory, economic, engineering or industry matters) for any individual members of the RPRG or the group as a whole.