

Agenda

Customer Advisory Panel – Meeting 2: Impacts of COVID-19

Meeting	
Date	Monday 5 October 2020
Time	Meeting from 10.00am – 12.00pm, including 5 minute break
Location	Microsoft Teams (link in calendar invite)
Facilitator	Adam Nason
Attendees	<p>CAP members:</p> <ul style="list-style-type: none"> • Gavin Dufty • Shelley Ashe • Dean Lombard • Tennant Reed • Nathan Crombie <p>CCP17 members:</p> <ul style="list-style-type: none"> • Mark Henley <p>CPPALUE:</p> <ul style="list-style-type: none"> • Renate Vogt, General Manager Regulation • Scott Russell, General Manager Strategy and Customer Group • Joanne Pafumi, General Manager Corporate Affairs • Adam Nason, Head of Customer Experience • Lovelyn Parker, Strategy Programs and Change Manager • Brent Cleeve, Head of Regulation • Megan Wilcox, Regulatory Projects Manager • Sonja Lekovic, Senior Regulatory Economist • Ellen Lukin, Regulatory Analyst
Apologies	N/A
Pre-reading	<ol style="list-style-type: none"> 1. CPPALUE COVID-19 Impact Stakeholder Engagement Summary Report from Forethought 2. COVID-19 impacts pre-reading materials: <ol style="list-style-type: none"> i. Our businesses' response to COVID-19 including the network relief package and our operational changes ii. Changing usage profiles iii. Forecasting for COVID-19 impacts

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Time	Item	Topic	Who
10.00am	1	Welcome and safety moment	Adam Nason
10:05am	2	Australian Energy Regulator (AER) draft decision overview	Renate Vogt
10.15am	3	Forecasting for COVID-19 impacts	Brent Cleeve

<p>[5 mins] Discussion [25 mins]</p>		<p>Our operating and capital expenditure forecasts out to 2026 will need to be updated in our revised proposal to account for the long-term impact of COVID-19. This includes the following key output growth measures:</p> <ul style="list-style-type: none"> • customer numbers/connections • energy usage • maximum demand. <p>We have heard from our stakeholders that they expect us to capture the short and long term impacts of the pandemic in our forecasts.</p> <p>To address the uncertainty of forecasting at present, and with limited understanding of how the pandemic will impact long-term trends, we obtained a number of sets of scenarios for our modelling in August 2020.</p> <p>Since then, the Victorian and Federal Governments have announced a roadmap to COVID normal, and significant stimulus packages which will impact our forecasts.</p> <p>The input parameters, the results of the scenario modelling and other key considerations are provided in the pre-reading material. (Note, we are still undergoing demand forecasting and have not therefore included it in the pre-read material).</p> <ul style="list-style-type: none"> • Discussion questions: <ul style="list-style-type: none"> ○ Do you agree with the scenario modelling approach to address uncertainty? ○ Given the outdated nature of forecasts in a fast changing environment, and a very limited timeframe to develop a revised proposal, is it reasonable to use the most appropriate scenarios for the forecast? ○ How should we assess the most likely scenario to be modelled for the revised proposal? 	
<p>10.45am [5 mins] Discussion [25 mins]</p>	<p>4</p>	<p>Changing usage profiles</p> <p>COVID-19 and lockdown restrictions have seen a shift in our consumption profile with people working from home and business closures. This has resulted in an increase in residential consumption use for all three networks while the commercial sector usage is down. Overall, network consumption for CitiPower has declined by 13% due to the high number of commercial customers, whilst Powercor and United Energy to date have seen almost no change.</p> <p>There is much speculation about what trends will continue in the future and if there has been a permanent structural shift in how our customers use electricity. The provided stakeholder engagement report summarises some of the views that were discussed by stakeholders in our recent workshop.</p> <p>We have been mapping the impact of the changing energy usage patterns on our networks throughout the pandemic and</p>	<p>Sonja Lekovic</p>

		<p>have provided a summary in the pre-reading material.</p> <p>Discussion questions:</p> <ul style="list-style-type: none"> ○ What behaviour changes will stick, versus which ones will be for the length of the pandemic only? ○ How should we assess the most likely consumption pattern to 2026? 	
11.15am	5	Break	
11.20am [5 mins] Discussion [25 mins]	6	<p>Our businesses' response to COVID-19</p> <p>COVID-19 has significantly impacted our customers and communities and our business has made changes in response. We acknowledge the financial stress COVID-19 has put on parts of our community and we have worked closely to implement the COVID-19 network relief package with our energy retailers. COVID-19 has also resulted in changing work practices. Ensuring that we provide a safe workplace for our people whilst continuing to provide all of our essential services has been our top priority in 2020.</p> <p>We have provided a summary of our businesses' response to COVID-19 and the changes in how we operate in the pre-reading material.</p> <ul style="list-style-type: none"> • Discussion questions: <ul style="list-style-type: none"> ○ Should we be doing more for our customers? If so, where should we prioritise our resources? ○ How should default risk be spread between distributors and retailers? 	Lovelyn Parker
11.50pm	7	Actions and additional items for discussion	All
12.00pm	8	Meeting close	Adam Nason