

Minutes

Customer Advisory Panel – Meeting 7/2023

Meeting	
Date	Tuesday 17 October 2023
Time	9:00am-1:00pm
Location	MS Teams
Members	Philip Cullum (Chair), Hilary Newstead (Deputy Chair), Helen Bartley, Winnie Waudou, Natalie Collard, Emma Lucia, Lynda Osborne, Gavin Dufty, Tennant Reed, Dean Lombard, Keicha Day
Attendees	CPPALUE: Jo Pafumi (General Manager Corporate Affairs), Brent Cleeve (Head of Regulatory Policy & Compliance), Adam Nason (Head of Customer Experience), Chris Gilbert (Regulatory Lead), Jildau Schotanus (Regulatory Manager), Ellen Lukin (Regulatory Manager) Belyan Matthews (Senior Regulatory Analyst), Thakshila Gunaratna (Senior Regulatory Analyst), Kaitlin Pisani (Project Coordinator) Forethought: Tim O'Brien, Sam Powell, Caitlin Campbell
Apologies	Renate Vogt (General Manager Regulation), Jeff Anderson (Head of Regulatory Strategy)

Item	Who	Item
1	Brent Cleeve	<p>Actions update</p> <ul style="list-style-type: none"> The CAP is keen to understand how their views are incorporated in business decision making that shapes draft and final regulatory proposals The business agreed to share with the CAP future agendas and lock in dates for CAP sessions in February and March 2024.
2	Chris Gilbert	<p>Framework and approach (F&A)</p> <p><u>Points raised by individual CAP members included:</u></p> <ul style="list-style-type: none"> There was a strong preference for national consistency in F&A approach and a recommendation to consider this when drafting requests for amendments to the current Victorian F&A There was concern that the business may invest to capitalise on essential system services (ESS) opportunities and that customers ultimately pay twice i.e., once through the regulatory asset base (RAB) and again through the Australian Energy Market Operator (AEMO) fees There were concern the business's presence in ESS markets may cannibalise competitors creating a monopoly in future regulatory periods A question was raised as to how customers who may be negatively impacted by the business providing an ESS service, would be compensated.

3	Brent Cleeve	<p>Reset strategic narrative</p> <p><u>Points raised by individual CAP members included:</u></p> <ul style="list-style-type: none"> • The document raises good questions and considerations however, a plan on a page using more simple language would be helpful as it is quite dense • Recommendation to lift up the narrative around changes to the National Energy Objective (NEO) and blend it into the Customer Energy Resources (CER) narrative as this will bring in emissions reductions which the AER will be looking for. By optimising CER, the business can improve emissions reductions which meets the changes in the NEO • It reads as though the business is seeking to enable individual customers to maximise the value of their CER. Recommendation to reframe this to focus on CER maximising benefits for all customers • Recommendation to include messaging around ‘economic efficiency’ in the energy transition narrative rather than just affordability and equity i.e., ‘help ensure the energy transition and the adoption of customer energy resources maximises value for all energy users and participants’ • Recommendation to build out the narrative around electrification as there is a strong interest in this issue amongst the wider community • The customer experience pillar could be elevated to a higher-level objective under which the other three strategic pillars reside • More emphasis could be placed on the regulatory and political environment. Reference should be made to the many unique Victorian arrangements i.e., non-contestable metering, Essential Services Commission (ESC) and the role of the Victorian Government • There should be more acknowledgement of non-network solutions as an alternate to traditional network investment in the future regulatory environment. Especially in terms of how it will impact the way the networks operate and interact with communities • View that the term ‘customers experiencing vulnerability’ misunderstands the concept of vulnerability. Recommendation to reframe this to talk about ‘customers being in vulnerable circumstances’ and what those circumstances are • View that First Nation’s customers are not transient in their space of vulnerability. Colonisation is an ongoing structure that continues to keep First Nation’s customers vulnerable • Energy literacy should not be viewed as a throwaway line. It is valuable in First Nations communities and can support customers managing their energy bills. Energy literacy provided through the community members, can have a direct impact on customers engaging in energy markets without feeling intimidated.
4	Belyan Matthews	<p>Innovation fund for 2026-2031</p> <p><u>Points raised by individual CAP members included:</u></p>

		<ul style="list-style-type: none"> • There was concern that finding suitably qualified people to participate in a supervisory committee could be challenging. Recommendation to explore whether there are opportunities to amalgamate or share governance across distributors to economise the use of people’s time • Whilst there are regional differences between distributors, there a large number of common issues that networks should be innovating on jointly • Cost-benefit ratios and expected long-term impact on customer costs needs to be considered in a probabilistic sense otherwise there will be minimal opportunity for innovate projects to be approved • View that consumers should not be paying for innovation that should be considered business as usual, for example, employee safety which is considered an employee benefit. If consumers are to fund a scheme, there needs to be more rationale provided as to how they would benefit • It is important to consider that any business operating in a contestable market would have to constantly innovate to survive. Should this not be the case for distributors? • Business innovation has not always been successful when it is not integrated into business functions that are responsible/benefit • Partnership strategies are important i.e., engaging external bodies and agencies that support industry innovation. There is a role for external agencies to develop technology however, it is a distributor’s role to apply that technology and be clear on the benefits for customers and identify the problem that could potentially be solved with the application of new technology. This should drive decision making • It is important to consider the stages of innovation and at what point funding should transfer from the customer to the business • Question as to whether other models of innovation have been explored. Understanding and researching the success of how other regulated industries have approached innovation would be useful. It would also be useful to understand what other sources of funding are available through agencies such as ARENA.
5	Ellen Lukin	<p>Non-network expenditure 2026-2031</p> <p><u>Points raised by individual CAP members included:</u></p> <ul style="list-style-type: none"> • Question raised as to whether the business has explored all asset sales possibilities that could assist in reducing the expenditure ask • There was interest in understanding if re-siting depots may help improve network reliability and resilience • Question raised as to whether the maintenance cycle is the same for electric vehicles (EVs) as it is for combustion vehicles • It would be helpful for the business to present the consumer benefit of a depot redevelopment • It is important to demonstrate visible actions the business is taking towards emissions reduction (in terms of the mandatory reporting)

		<p>and whether this is being undertaken for the shareholder or customer benefit</p> <ul style="list-style-type: none"> • It is important the business presents targets (in terms of emission reductions) and be able to demonstrate how the projects being presented assist in reaching those targets. This is an important metric that the business should be communicating i.e., roadmap to decarbonise • It is important to consider what impact changed ways of working has had on the business's investments. This was raised in the context of greater working from home and its impact on needs for office space and fleet • There is a quality aspect when it comes to pricing. If the business is investing more to get a better outcome or product, then that is a valid reason to invest • It is important to consider the value that customers can derive from investments and what the potential impact would be in terms of damaging consumer interest if the business decided not to invest.
6	Brent Cleeve	<p>Update on the joint Victorian Distributor workshops</p> <ul style="list-style-type: none"> • The second joint distributor vulnerability workshop was held on 18 September. Keicha and Gavin both attended the session. The report has been distributed to CAP members • The joint distributor resilience workshop was held on 9 October and was very well attended • The second joint distributor tariff workshop is scheduled for 16 November at 40 Market St. CAP members will be invited to attend • The webinar on Home Energy Futures with Monash University was attended by 72 participants. Participants were very engaged and social media feedback positive • The customer energy resources (CER) summit is scheduled for 28 November. CAP members will be invited to attend. • The Future Network Scenarios forum will be held on 8 December. CAP members will be invited to attend.
7	Gavin Dufty	<p>Update on the CAP Stakeholder Engagement sub committee</p> <ul style="list-style-type: none"> • The stakeholder engagement sub committee last met on 12 October • The customer values analysis (CVA) scope, engagement roadmap and integration of reset and stakeholder projects was discussed • CAP members were interested to understand how the information and methodologies being presented are being applied in a way that provides line of sight into customer preferences.
8	Lynda Osborne	<p>Update on the CAP Tariff sub committee</p> <ul style="list-style-type: none"> • The tariff subcommittee last met on 11 Oct • The determinations that are being handed down by the Australian Energy Regulator (AER) for NSW and the ACT were discussed

		<ul style="list-style-type: none">• The overall takeaway from the discussion was that there is some resistance from customers to having their devices controlled by tariffs.
9	All	<p>Actions and additional items for discussion</p> <ul style="list-style-type: none">• CAP members to determine whether they will participate in the AER's F&A consultation process• The business agreed to share with the CAP future agendas and lock in dates for CAP sessions in February and March 2024• The business agreed to schedule a 1.5-hour private session for CAP members before 31 October• The business agreed to share with the CAP the link to the Monash webinar recording.