Draft Minutes

Energy Futures Customer Advisory Panel – Meeting 3

Meeting	
Date	Tuesday 18 September 2018
Time	Meeting from 10.00am – 12.30pm
Location	Ground Floor, Meeting Room 02, 40 Market Street, Melbourne
Facilitator	Peter Eben, Seed Advisory
Attendees	Bruce Knowles, Hugh Horsfall, John Cutler, Zoe Pilven, Don Culvenor, Mark McLeish, Shelley Ashe, Leigh Clemow, David Prins, Mike Swanston, Mark Henley Renate Vogt, Brent Cleeve, Mark de Villiers, Sonja Lekovic, Dr Robyn Stokes
Apologies	Charles McElhone, Gavin Dufty

Agenda items and actions			
Item	**Who**	**Item**	**Actions**
1	Peter Eben	**Welcome and safety moment** Panel members welcomed, new panel members introduced and a safety moment shared on the importance of recognising and preventing bullying.	No action required
2	Sonja Lekovic and Dr Robyn Stokes	**Results of part of Phase 3 engagement** A summary report of part of Phase 3 engagement on what customers value about their electricity supply was circulated in advance of the meeting. There was discussion about customers making community-focused rather than self-centric decisions, and whether there should be trials through the use of behavioural economics to compare expressed opinions vs actual behaviour. However, it was also highlighted that for any projects customers supported, there still needs to be consumer-wide benefits for the projects to be included in the reset submission. Customer support is only <u>part</u> of the evidence shown to the Australian Energy Regulator (**AER**). Some members wanted to see and discuss network-specific preferences (comparative data). It was noted that this would be summarised in the final report on the Forum outcomes and in the overall report on Phase 3 findings (not ready for circulation at the time of this meeting). There was discussion about the differences between the three networks, and while those differences should be highlighted, it was also acknowledged that some insights to consistencies and differences and a sharing of that knowledge across the networks was valuable.	A complete summary of all Phase 3 research and engagement outcomes will be provided to EFCAP members early October. This report will include the themes, questions and trade-offs plus key findings for each network across all engagements (including the Investment Options Forums).

3	Sonja Lekovic and Dr Robyn Stokes	**Customer preferences from Investment Options forums** Topline outcomes were shown in slide format and members engaged in a solid discussion about the investment options and findings related to 'providing a flexible network and data for informed choices'. Members were interested in whether the full suite of options for achieving flexibility has been considered. They felt that sometimes there is too much focus on either small or large scale renewable, but not enough focus on medium scale solutions including grid batteries. Consumer Challenge Panel (**CCP**) members shared feedback from the Investment Options forum that they observed. It was agreed that the options analysis on allowing unconstrained electricity exports required more context for a deeper analysis. There was confusion amongst some of the customers who did not understand that constraining customers from exporting did not mean that customers could not consume the electricity generated from their solar panels. However, it was also noted that findings clearly show that customers believed constraining exports is not the future and that more can be done to utilise smart meter data. The role of the distributor in the changing energy market was discussed in detail, and whether distributors should be leaders in planning for the future network, including supporting renewables, or if distributors should focus on their core business alone ('poles and wires'). Discussion then switched to tariff structures, where a preference for different tariff structures was evident in each of the three networks. Flat tariffs are seen as simpler but costlier for the network, however key impediments are the need to change customer behaviour and the Government's 'opt-in' arrangement, both of which are large barriers to implementing more cost-reflective tariffs among residential customers.	See above.
4	Brent Cleeve	**The Draft Proposal** A high-level summary of the Draft Proposal was presented, including preliminary price impacts for residential customers and the main audience for the document. It was agreed the document should be customer-friendly but it should provide enough content (both quantitative and qualitative) to get meaningful engagement both from consumers and industry specialists. Most members felt the bill impact of all customer types (including small, medium and large business) should be	CitiPower, Powercor and United Energy to consider the feedback received and update the Draft Proposal.

		included in the Draft Proposal. Customers may also wish to comment on a different price path to that proposed in the draft. In general, the difference between residential and business customers should be clearer in the Draft Proposal and the distributor's overall approach to developing tariffs. There was also a discussion about high alternative control services (**ACS**) charges and how those can be tackled in the Draft Proposal. Members wanted to see the long term, high level vision of the networks in the Draft Proposals and related content. Most felt that there should be a leadership position on the social, economic and environmental issues affecting the network that is conveyed with the Draft Proposal and final proposal. It was suggested the feedback from scenarios modelling in November 2017 and beyond can be used to develop a long-term vision. It was also agreed what customers say about their preferred future and choices (e.g. inputs of C&I, business and residential across Phases 3 and 4) could provide a useful lens to help describe that future vision.	
5	Sonja Lekovic	**Phase 4 engagement** Members were generally supportive of the Phase 4 engagement proposal and the time given to this phase. It was highlighted this phase will be the most challenging with the most difficult conversations, for which all parties should be prepared. It was seen critical to have a 'straw man' of engagement but to remain fluid with the options and related issues that will be considered. It was seen the first part of Phase 4 (Phase 4A) should give due emphasis to <u>sharing information</u> and listening while Phase 4B and 4C should be about involvement and/or collaboration (in line with the IAP2 engagement spectrum). Experience from other 'deep dive' sessions in other states was shared, and it was seen as a benefit to include an options analysis in the deep dives, including options for more services but also lower prices/less services. The deep dives should also include marginal choices that are still on the table (investments at the margins of current options and some of the trade-offs). To launch the Draft Proposal (devised for customers), members felt that a showcase event that sees the business present highlights (the top-line themes, reset options and proposals) should occur in late 2018. An event of this nature that draws together customers (residential, SMEs	CitiPower, Powercor and United Energy to finalise the dates for Phase 4. Sonja Lekovic to share the key dates as soon as possible.

		and C&I leaders) plus energy sector representatives was seen to be the most time-effective approach to reach a range of key stakeholders quickly and invite feedback (through multiple channels). It was felt that a presentation to the EFCAP members and the members of the Customer Consultative Committee (**CCC**) could still occur prior to the launch. With regard to future EFCAP meetings and engagement, it was agreed there would be three meeting points before the Regulatory Proposal in July 2019.	
6	Peter Eben	**Actions and next steps** Meeting closed at 12.30pm.	Sonja Lekovic to share meeting minutes and follow up actions.