

Minutes

Energy Futures Customer Advisory Panel

Meeting	
Date	Tuesday 30 April 2019
Time	9.30am-12.30pm
Location	CitiPower Powercor and United Energy, 40 Market Street, Melbourne
Facilitator	Peter Eben, Seed Advisory
Attendees	Bruce Knowles, Don Culvenor, Tennant Reed, Shelley Ashe, David Prins, Brent Cleeve, Mark de Villiers, Jana Dore and Sonja Lekovic
Apologies	Zoe Pilven, Hugh Horsfall and Renate Vogt

Agenda items and actions			
Item	Who	Item	Actions
1	Peter Eben	Welcome and safety moment Panel members welcomed and safety moment shared.	No action required.
2	Brent Cleeve	Introduction Discussed the process for developing the draft proposals and the lessons learnt along the way. Provided insight into the vision beyond 2025 and how it meets the needs and expectations of our customers. An update was also provided on the 6-month extension of regulatory submissions. Members were pleased with the pre-reading materials and to see the Panel come back together in 2019. There was a discussion about the level of involvement by the Victorian Government in the regulatory process. Members were keen to see CitiPower, Powercor and United Energy ensure business interests are most aligned with consumers' interests.	Updates about the six month extension to be provided to members when available.
3	Jana Dore	Objectives of the EFCAP and meeting Objectives of the meeting were agreed by all members. A recap of the EFCAP objectives were also discussed and agreed by all members.	No action required.
4	Brent Cleeve	Draft proposals Presented the draft proposals for CitiPower, Powercor and United Energy. This included flagship projects or programs of work proposed in each network. Members sought more information on the RIN data and where issues may be raised, including solar, upgrades/augmentations, C&I pricing and C&I large-scale renewables.	No action required.

5	Jana Dore	<p>Customer feedback</p> <p>Customer feedback had been sought since the release of the draft proposals and a summary was provided to the panel.</p> <p>Members provided strong feedback on the involvement of the Victorian Government in the regulatory process, as well as the regulations that support our network.</p> <p>Suggestions to look beyond the regulatory period, including scenario modelling and/or strategy, were made to help members understand where we are headed.</p> <p>Members also suggested this would guide government in regards to policy.</p> <p>In particular, some members felt that our approach should be modular fit for the project, rather than the five year regulatory period.</p>	No actions required.
6	Brent Cleeve	<p>Solar enablement</p> <p>Solar options paper was taken as read prior to the meeting, with the session focussing on feedback about the options presented.</p> <p>Overall</p> <p>Members considered that most options are going to lead to a change in consumer behaviour, and the role of the project team is to determine which option will provide the best signal. Members would like the project team to consider the behaviours that could be changed by each option.</p> <p>Members requested more information about the timeframes and sequencing of options, that there may be a pathway to implementation that involves starting with one option and then moving to others.</p> <p>Members also suggested that some options are complementary, in that they are not mutually exclusive or to be considered separately.</p> <p>Option 1 –</p> <ul style="list-style-type: none"> • Mixture of options 1 and 2 are considered to be currently occurring • This option sends signal to household to install a battery • This option supports ToU pricing <p>Option 2 –</p> <ul style="list-style-type: none"> • Mixture of options 1 and 2 are considered to be currently occurring • Considered as the least desirable socially <p>Option 3 –</p> <ul style="list-style-type: none"> • This option is considered as belonging with another option and not feasible on its own 	Cost-benefit analysis to be shared with Panel at next meeting.

		<ul style="list-style-type: none"> Members considered AEMC challenges with exports, and GSL service levels Members considered the reverse of VEET, LRET and RET should be in place to fund the network Tariff reform (penalty or charge) is a key criteria and should be added to the options paper Concept of 'solar sponge' may not work nor was it considered durable over time Preference was to see prices at the zone sub level as members want to see as much solar as possible to avoid augmentation Solar issues are considered to be granular so networks should be able to respond in a granular way <p>Option 4 –</p> <ul style="list-style-type: none"> Members suggested tariffs is only treating the issue at a network wide problem, not at the household/ individual level Suggested that tariffs would need to be locational in order to see benefits <p>Option 5 –</p> <ul style="list-style-type: none"> Option 5 received similar feedback to option 3 <p>Option 6 –</p> <ul style="list-style-type: none"> Members suggested there could be ring fencing issues and the availability of technology may prevent this option from occurring <p>Option 7 –</p> <ul style="list-style-type: none"> More work to be done on this option in order to provide a level of support. In particular, timeframes and cost-benefit analysis for customers at each step in the program Members suggest needs to address how important cost-reflectivity is to this discussion and view it as a program of work, rather than discussing the cost to implement 	
7	Brent Cleve	<p>Flexible Grid</p> <p>Members raised questions about the flexible grid proposal, including whether it is the role of a DSO and must be considered by AEMO, AEMC and COAG. This was linked to a discussion about the name 'flexible grid' being interpreted with a different meaning.</p> <p>Discussed flexible grid was to enable the maximum value from smart meters and work that would have to be undertaken no matter what the future direction would be on DSO or other reforms. Some suggested alternatives for achieving the same outcome (refer to productivity panel).</p> <p>Members would like to see how the flexible grid proposal interacts with the other proposals, like solar, bushfire mitigation and REFCL.</p>	Send business case for flexible grid to Panel prior to the next meeting.

		<p>Members would also like to see an outline of costs and the possible savings before providing a level of support. Panel members also raised smart meter degradation as a possible issue with the proposal. Members also suggested that the proposal should be presented prior to the contestability review in 2020. Some members supported the continuation of the meter functionality. Members also raised the public safety component of the project and that it was largely seen as an obligation by networks to implement.</p>	
8	Mark De Villiers	<p>Pricing</p> <p>Most members had participated in the pricing consultation held jointly by networks.</p> <p>When reviewing the customer impact analysis graphs, it was considered that government wouldn't support the proposal.</p> <p>More quantitative analysis would need to be done in order to show the long term benefits for all customers. This should factor in the savings in other costs, so changes to bill are presented as relative.</p> <p>Members suggested there are more options for transition, including solar and non-solar customers.</p> <p>Members also raised questions about whether ToU pricing would create a new peak.</p> <p>When looking at small business tariffs, there were questions raised about whether the times proposed were suitable for small businesses. However, most members were fairly supportive of the proposal.</p>	No action required.
9	Peter Eben	<p>Actions and next steps</p> <p>Meeting closed at 12.30pm</p>	Jana Dore to send meeting minutes and follow up actions.