

# Customer Advisory Panel #4

## 2023-27 Transmission Revenue Reset



14 May 2020

# 1. Safety topic

Ana Erceg, Transmission Revenue Reset Project Manager



# Safety Topic

## Strategies to cope with social distancing, self-isolation or quarantine

- **Perspective** – try to see this time as unique and different, not necessarily bad, even if it something you didn't necessarily choose
- **Connection** – think of creative ways to stay connected with others, including social media, email and phone
- **Be generous to others** – giving to others in times of need not only helps the recipient, it enhances your wellbeing too. Is there a way to help others around you?
- **Stay connected with your values.** Don't let fear or anxiety drive your interactions with others. We are all in this together!
- **Daily routine** – create a routine that prioritises things you enjoy and even things you have been meaning to do but haven't had enough time. Read that book, watch that show, take up that new hobby.

## 2. Welcome and agenda

**Adrian Hill, General Manager Transmission**



# Agenda



**Time:** Thursday 14 May 2020, 13:00 – 14:00

**Location:** Online Teams Meeting

**Panel Members:** Andrew Richards (EUAA), Gavin Dufty (Vinnies), Bridgette Carter (BlueScope Steel), Tennant Reed (Ai Group), Elizabeth Carlile (CitiPower/Powercor), Rudi Strobel (Jemena), Jim Wellsmore (ECA), Mathew Creese (Hydro Tasmania), Nick Eaton (Alcoa), Bev Hughson (CCP), Roshanth Sivanathan (UE), Shelley Ashe (ECA), Aaron Tan (Air Liquide), Simon Elias (Air Liquide)

**Apologies:** Rodney Bray (UE), David Prins (CCP)

**Guests:** Joe Spurio (AEMO), Sandra Nielsen (AEMO), Adam Petersen (AER), Evan Lutton (AER), Mark Henley (CCP)

**Facilitators (AusNet Services):** Adrian Hill, Tom Hallam, Charlotte Eddy, Rob Ball, Ana Erceg

#	Topic	Time	Duration	Presenter
1	Safety Topic	13:00	5 mins	Ana Erceg
2	Update on our process	13:05	10 mins	Rob Ball
3	Request for three month extension	13:15	10 mins	Rob Ball
4	Proposed customer engagement plan	13:25	30 mins	Rob Ball
5	Other business and next steps	13:55	5 mins	Adrian Hill / Rob Ball
	<b>Meeting Close</b>	<b>14:00</b>		

## 2. Update on our process



- Due to the rapidly evolving situation of COVID-19, we have postponed publication of a Draft Proposal beyond April, to allow time to properly consider the pandemic's implications for our plans
- We are currently working through the pandemic's impacts on, among other things, our short- and medium-term transmission investment plans
- This is an ongoing process, and we do not expect these impacts to be fully known or forecast with sufficient certainty for inclusion in a Revenue Proposal by 31 October 2020
- Given these unprecedented circumstances, we are seeking an extension of three months for submission of our Revenue Proposal. This will secure additional time to work through COVID impacts and enable us to run a more effective engagement process
- Regardless of whether an extension is granted, we intend to progress engagement on our plans, starting with those elements that are more stable and less likely to be impacted by COVID.

### 3. Request for three month extension



- As detailed in the **attached** draft letter, a three month extension would deliver several important benefits relative to the status quo (i.e. submission by 31 October) by allowing:
  - AusNet Services to publish a Draft Revenue Proposal in approximately 4-5 months' time (e.g. September) that reflects a more advanced understanding of the pandemic's implications for our plans than is possible at present. The Draft Proposal is a key part of an effective customer engagement program
  - Customers to be consulted on changes to our plans as a result of COVID before lodgement of the Revenue Proposal, rather than after
  - AusNet Services to take account of updated demand forecasts, and a range of other updated information (e.g. more recent placeholders for market based WACC and inflation parameters) in our Revenue Proposal.
  
- In the absence of an extension being granted, the Revenue Proposal submitted to the AER on 31 October 2020 will include a range of caveats on significant parts of its content, including network capex.

#### Questions for stakeholders

1. Do stakeholders support the proposed three month extension as an appropriate response to the pandemic? Is any further information required to form a view on this?
2. Do stakeholders generally have a preference to be consulted on changes to our plans as a result of COVID before lodgement of the Revenue Proposal, rather than after?

# 4. Proposed customer engagement plan

## Feedback is sought on the engagement plan set out below



	Deep Dives	Customer Advisory Panel meetings	Other engagement activities / milestones
May 2020		<b>CAP#4</b> – To update CAP on process and seek feedback on proposed engagement plan	
June 2020	<b>Deep Dive #1</b> – Role of transmission, possible implications of COVID-19 for our plans and operating expenditure		
July 2020 August 2020	<b>Deep Dive #2</b> – Innovation	<b>CAP#5</b> – To agree how insights from Deep Dives #1 and #2 should be reflected in our draft plans	<b>Annual customer satisfaction survey</b> – Interviews with direct connect customers, DNSPs, AEMO and generators to gauge satisfaction and identify any concerns. Covers perceptions of affordability, reliability and customer experience
September 2020			<b>Publish Draft Proposal</b> – Reflecting more informed view of COVID impacts and insights from Deep Dives #1 and #2
October 2020	<b>Deep Dive #3</b> – Overview of Draft Proposal, technology capex		<b>One-on-one meetings</b> - to seek feedback on Draft Proposal from key stakeholders and discuss any key issues, concerns or topics not covered at Deep Dives
November 2020	<b>Deep Dive #4</b> – Network capex* and price path * Reflecting updated demand forecast, expected to be released by AEMO in September	<b>CAP#6</b> – To agree how insights from Deep Dives #3 and #4 should be reflected in our Revenue Proposal	
December 2020		<b>CAP#7</b> – To recap insights from engagement program and provide overview of Revenue Proposal positions	
January 2021			<b>Submit Revenue Proposal to AER</b> - Reflecting updated demand forecast and updated data for several other key inputs (discussed further on next page)

**Note:** Further information on the proposed engagement plan, including the focus of each Deep Dive, is provided in the **attached** draft letter (pp. 6-8)



## 5. Other business and next steps

**Adrian Hill / Rob Ball**

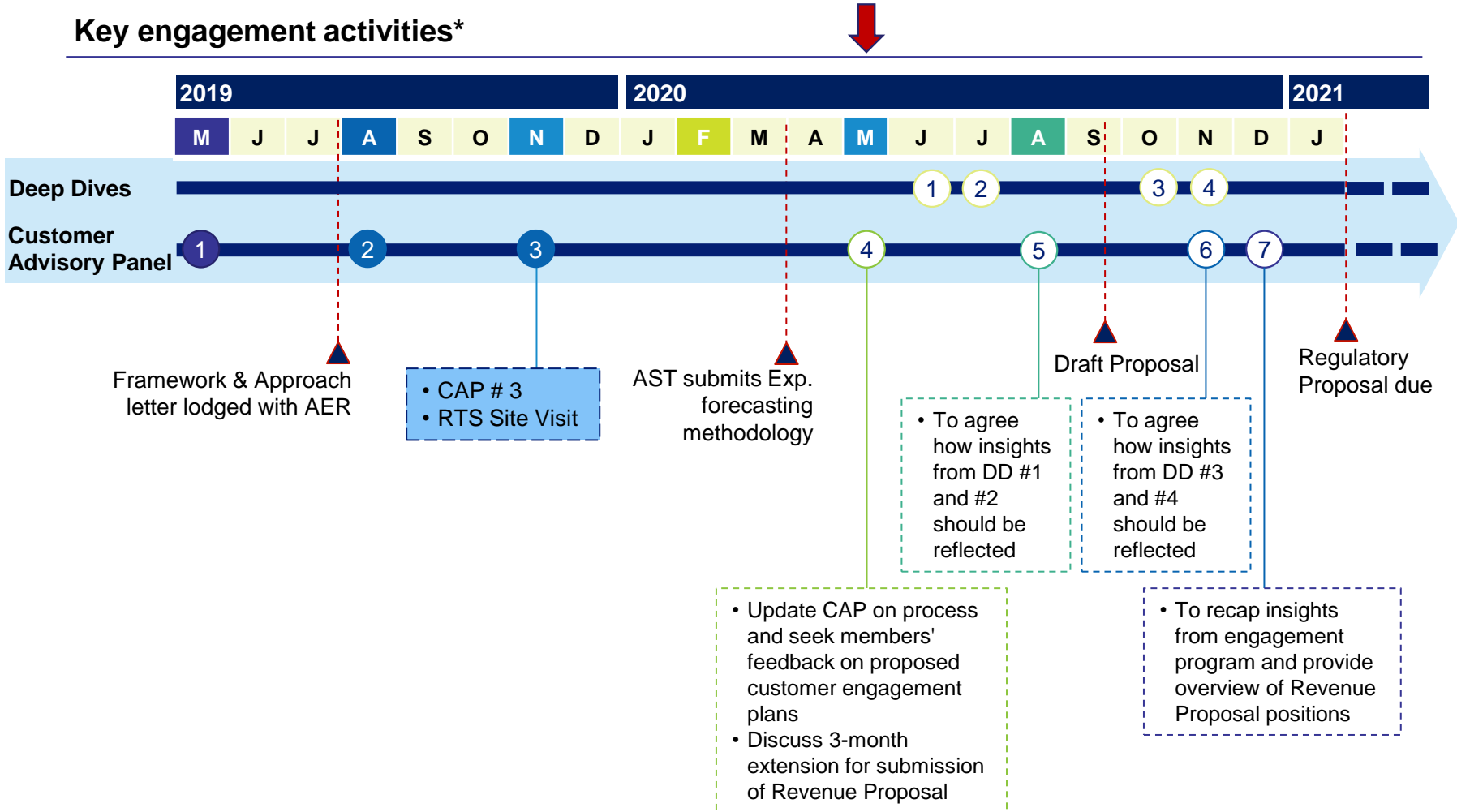


# Next steps

CAP members will be advised of specific timing and agendas for Deep Dive #1 and #2, once these details are finalised



## Key engagement activities\*



\* Assuming 3 month extension is granted

# Appendices



# Appendix A

## Previous CAP Meetings Minutes



# Minutes – CAP#1



## CAP#1 7 May 2019

#	Topic	Action	Resp.	Status
1.1	Agenda creation	<ul style="list-style-type: none"> <li>Circulate agenda at least one month prior to CAP for consultation</li> </ul>	DEG	Closed
1.2	Meeting duration	<ul style="list-style-type: none"> <li>Reduce duration from 5 to 3 hours</li> </ul>	DEG	Closed
1.3	Content requests for CAP#2	<ul style="list-style-type: none"> <li>Briefing on Federal Govt energy policies and AST policy positions at August meeting</li> </ul>	DEG	Closed
1.4	Content requests for CAP#3	<ul style="list-style-type: none"> <li>Impact of AEMO-initiated contestable augmentation on historical RAB/Capex</li> </ul>	RB	Closed (refer to Appendix A of CAP#2)
1.5	Content requests for CAP#3	<ul style="list-style-type: none"> <li>Preliminary repex forecasts (or at least the pipeline of projects)</li> </ul>	RB	Closed
1.6	Content requests for CAP#3	<ul style="list-style-type: none"> <li>Improvements made to stakeholder / community engagement on large capital projects (e.g., guidelines developed)</li> </ul>	RB	Closed

# Minutes – CAP#2



## CAP#2 29 August 2019

#	Topic	Action	Resp.	Status
1.1	Questions from Panel members	<ul style="list-style-type: none"><li>• Provide responses to Panel member questions from CAP#2</li></ul>	RB	Responses to be discussed at CAP#3 where required
1.2	200 kV Issue experienced by UE Network	<ul style="list-style-type: none"><li>• Operational Presentation from Martin C requested by Rodney Bray</li></ul>	RB	Open

# Minutes – CAP#3



CAP#2 28 November 2019

#	Topic	Action	Resp.	Status
1.1	Questions from Panel members	<ul style="list-style-type: none"><li>• Provide responses to Panel member questions from CAP#3</li></ul> <ol style="list-style-type: none"><li>1. Historically how many conductors and insulators are broken (Rodney Bray, UE)</li></ol>	RB	Responses to be discussed at CAP#4 where required