

evoenergy

# Community forum

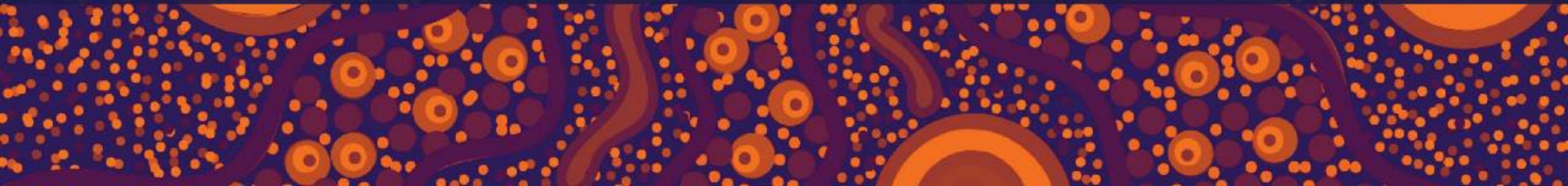
Session 1





# Acknowledgement of Country

*Evoenergy acknowledges the Traditional Custodians of the Canberra region, the Ngunnawal and Ngambri peoples, and pays respect to their Elders past and present. We recognise and celebrate all First Peoples' continuing connections and contributions to the regions in which our footprint extends.*



# Safety share

Bruce Hansen

Group Manager Gas Networks, Evoenergy



# Welcome

Helen Leayr, facilitator  
Communication Link





Communication Link

Ask.  
Listen.  
Understand.  
Achieve.

## Independent facilitation

Facilitation: Helen Leayr

Supporting facilitators:

Rosie Garland

Rennae Sillett

- Build understanding through information
- Know what you can influence
- Be heard and understood

# Technical housekeeping

- Emergency exit
- Bathrooms
- Breaks
- Network storywall
- Assistance in participation
- Site tour and bus ride



# Today's agenda

- Welcome and purpose
- Activities: get to know each other and how we will work together
- Presentation: About Evoenergy

## *Morning tea*

- Site tour

## *Lunch*

- Activities to understand what we value as gas customers
- Wrap up and session close

**There are lots of players in the energy sector**





## Why a community forum?

- Diverse representation reflecting our community
- 6 sessions gives us time to understand and reflect
- Meets the requirements of the Australian Energy Regulator (often referred to as the AER)
- Now is an important time of change



# Why a community forum?

Every five years, Evoenergy must submit a regulatory proposal to the Australian Energy Regulator.

- Your feedback will help shape Evoenergy's next proposal for its gas network.
- Evoenergy wants feedback from consumers to enable them to make **informed decisions** and better understand the values and long-term interests of its customers to develop this proposal.



# Community forum work program

## Session 1

- Learn about the gas network
- Explore uncertainty that the energy transition is placing on Evoenergy and its customers
- Consider your values – what is important to you as customers.



## Session 2

- Reflect on first session
- Learn about tariff variation mechanisms
- Consider how risk is shared and options for how Evoenergy recovers revenue.



## Session 3 (midway)

- Reflect on session 3, including revisiting tariff variation mechanisms
- Learn about tariffs
- Consider and explore tariff structure options, including the impacts on different customers and how risk is shared.



## Session 4

- Reflect on session 3
- Learn about network costs that need to be recovered
- Explore equity and fairness considerations
- Provide feedback on what is important.



## Session 5

- Review our work in session 4 –what other advice should we provide
- Learn about network abolishment
- Continue to explore equity and fairness considerations in the recovery of network costs, including the different customer impacts
- Provide feedback on how best to recover these costs.



## Session 6

- Learn more about costs to maintain the network
- Continue to explore equity and fairness considerations in the recovery of network costs
- Consider the costs and different customer impacts.

**Review and reflect – Additional session**  
Consider Evoenergy's Draft Plan  
Does it reflect what you told them?  
What other feedback do you have?


# Tools to support our work

## Scenarios

- 1. Slow move away from gas
- 2. Moderate move away from gas
- 3. Fast transition away from gas

## Personas

**Wei from Belconnen**




Single middle-manager.

**Owns apartment.**

|  |   |
|--|---|
| <b>Sentiment</b><br><small>Energy Consumers Australia<br/>Consumer Sentiment, 2023</small> | "Not a problem"<br>Despite having the capital to make a change, low motivation to act and low opportunity to act (living in apartment)                      |
| <b>Gas appliances</b>  | <input checked="" type="checkbox"/> Hot water<br><input type="checkbox"/> Heating<br><input type="checkbox"/> Cooking<br><input type="checkbox"/> Fireplace |
| <b>Property type</b>   | Apartment (1 bedroom)   |
| <b>Cost to electrify</b><br><small>(Frontier Economics, 2022)</small>                      | ~\$18,000 per apartment instant gas replaced w pump.  |
| <b>People per household</b>  | 1   |
| <b>Average weekly income</b><br>(household) (by region)                                    | \$2,087 (approx. \$114,000 pa)  |
| <b>Region</b>  | Belconnen   |
| <b>Age</b>   | 32  |
| <b>Average gas consumption and bill</b> (annual)   | \$935 (~15,000MJ)   |
| <b>Average electric consumption and bill</b>   | \$640 (5kWh/day)  |

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**Susan and Prav from the Inner South**



Parents, two teens. Both parents full time senior executives.

**Home 90% paid off.**

|  |  |
|--|--|
| <b>Sentiment</b><br><small>Energy Consumers Australia<br/>Consumer Sentiment, 2023</small> | "What's next?"<br>High motivation and low barriers to act, have access to funds and have taken action to electrify (hot water, and small A/C split).                   |
| <b>Ability to move to full electric</b>  | High   |
| <b>Gas appliances</b>  | <input type="checkbox"/> Hot water<br><input checked="" type="checkbox"/> Heating<br><input checked="" type="checkbox"/> Cooking<br><input type="checkbox"/> Fireplace |
| <b>Property type</b>   | Standalone house (4 bedroom).<br>Recently installed solar system.  |
| <b>Cost to electrify</b>   | \$20,000-25,000 (ducted electric and cooking) plus ~\$16,000 (battery). Already spent ~\$25,000 ~\$15,000 (10Kwh solar), ~\$5,000 (hot water), ~\$5,000 (A/C unit).    |
| <b>People per household</b>  | 4  |
| <b>Average weekly income</b><br>(household) (by region)                                    | \$8,653 (approx. \$450,000 pa)<br>(note: illustrative, not average income)   |
| <b>Region</b>  | Inner South  |
| <b>Age</b>   | 55   |
| <b>Average gas consumption and bill</b> (annual)   | \$1,875 (35,000MJ)   |
| <b>Average electric consumption and bill</b>   | \$1,700 (20KWh/day)  |

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# Official welcome

John Knox, Chief Executive Officer



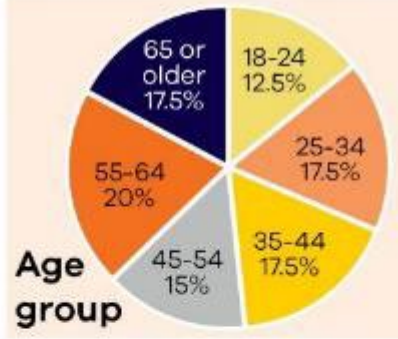
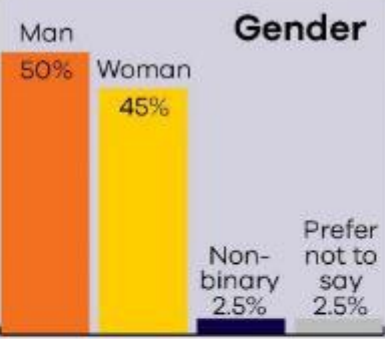
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# Getting to know each other

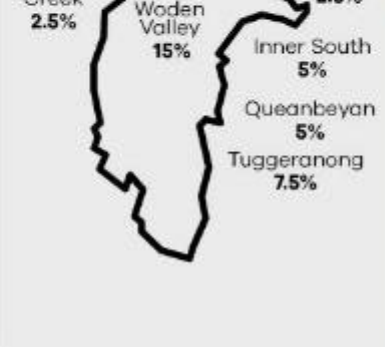


# What our community forum looks like...

**40** forum members



# Our forum looks like ...



## Forum bingo – find someone who ....

|                                      |                                |                                   |                                  |                                  |
|--------------------------------------|--------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| <b>Lives in NSW</b>                  | <b>Has solar</b>               | <b>Has a pet</b>                  | <b>Has climbed Mt Kosciuszko</b> | <b>Isn't on Facebook</b>         |
| <b>Has been in a hot air balloon</b> | <b>Has a library card</b>      | <b>Plays a musical instrument</b> | <b>Lives with their parents</b>  | <b>Plays football (any kind)</b> |
| <b>Has coached a sporting team</b>   | <b>Currently studying</b>      | <b>Wasn't born in Canberra</b>    | <b>Owens a business</b>          | <b>Owens a motorbike</b>         |
| <b>Lives in an apartment</b>         | <b>Has a university degree</b> | <b>Has children</b>               | <b>Rides a bike to work</b>      | <b>Was born overseas</b>         |
| <b>Does volunteer work</b>           | <b>Has been to New Zealand</b> | <b>Grows their own vegetables</b> | <b>Speaks a foreign language</b> | <b>Has been on a cruise</b>      |



# What is a community forum and how does it work?



# Effective group deliberation

You each bring important perspectives and experiences to discussions.

Our experiences and who we are shape our thoughts, opinions and decision making.

## Deliberative:

- Listening and learning
- Equality and inclusiveness
- Reasoning and justification
- Reflecting
- Mutual respect and consideration of others and their thoughts and experiences.



# Making decisions and unconscious bias

- Your **experiences** and **diversity** are a resource for this forum.
- Through these differences in opinion and the ways we think about things, we will consider a variety of feedback and views.
- It is important to remember we each come from a unique point of view.
- In an environment of mutual respect, it is important to remember that we all have unconscious biases.



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# What will be our forum operating principles?



## Forum principles

**Group discussion:** What behaviours and expectations do you want to guide the work of this forum?



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What do you  
value?



# Personal values

Your personal values are a central part of who you are. Values have significance specifically for you. They identify something of worth to you that you believe in.

## Examples:

- Authenticity
- Balance
- Belonging
- Collaboration
- Equality
- Fairness
- Family
- Honesty
- Integrity
- Responsibility
- Truth
- Wealth
- Wellbeing

*Values: Brene Brown, Dare to Lead*

## Personal values

**Individual activity:** On post-it notes, write down up to 5 personal values.

*Honesty*

*Fairness*

*Genuine*



## Collecting your values

**Group activity:** At your table bundle like-with-like into collective groups.



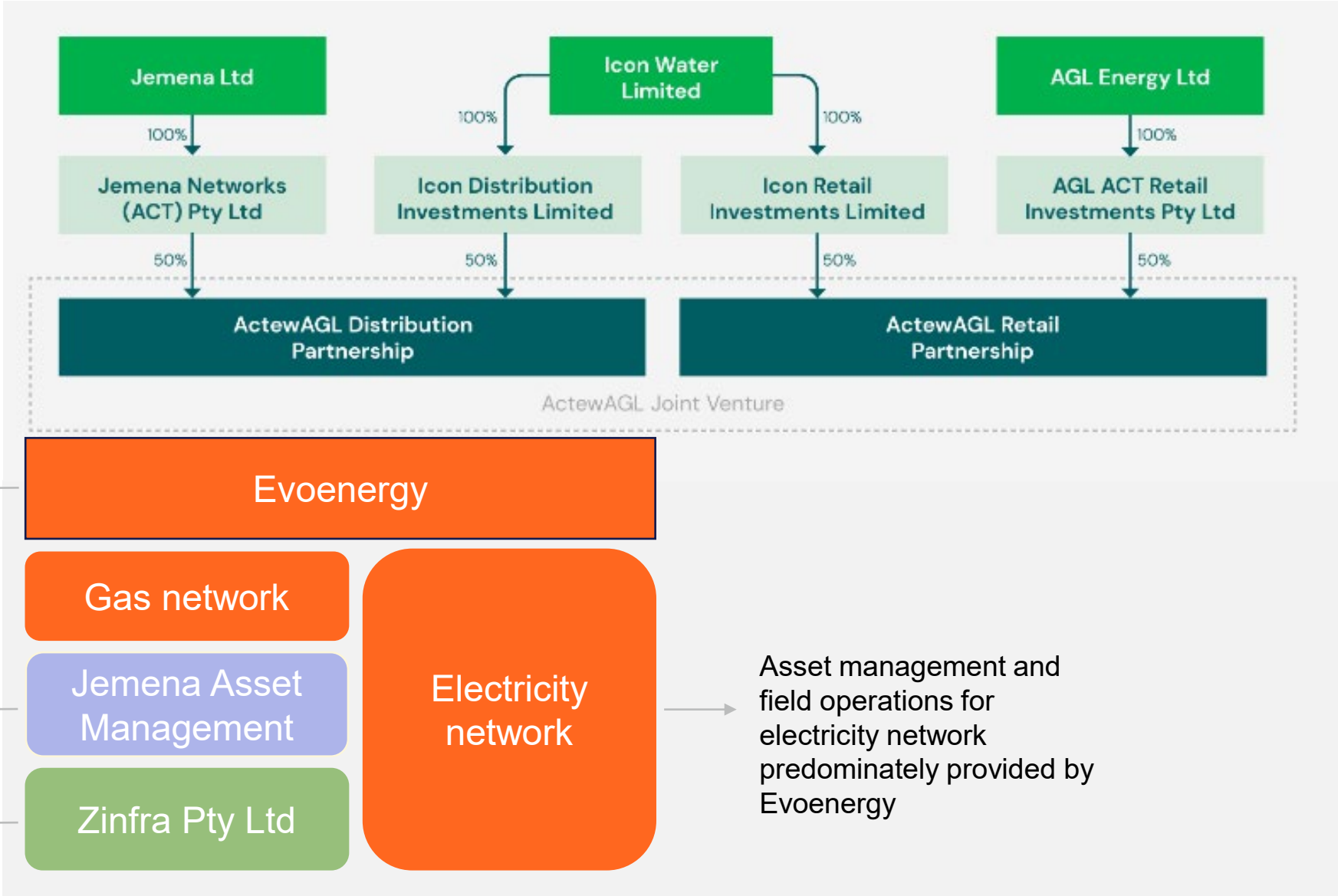
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# Who is Evoenergy?

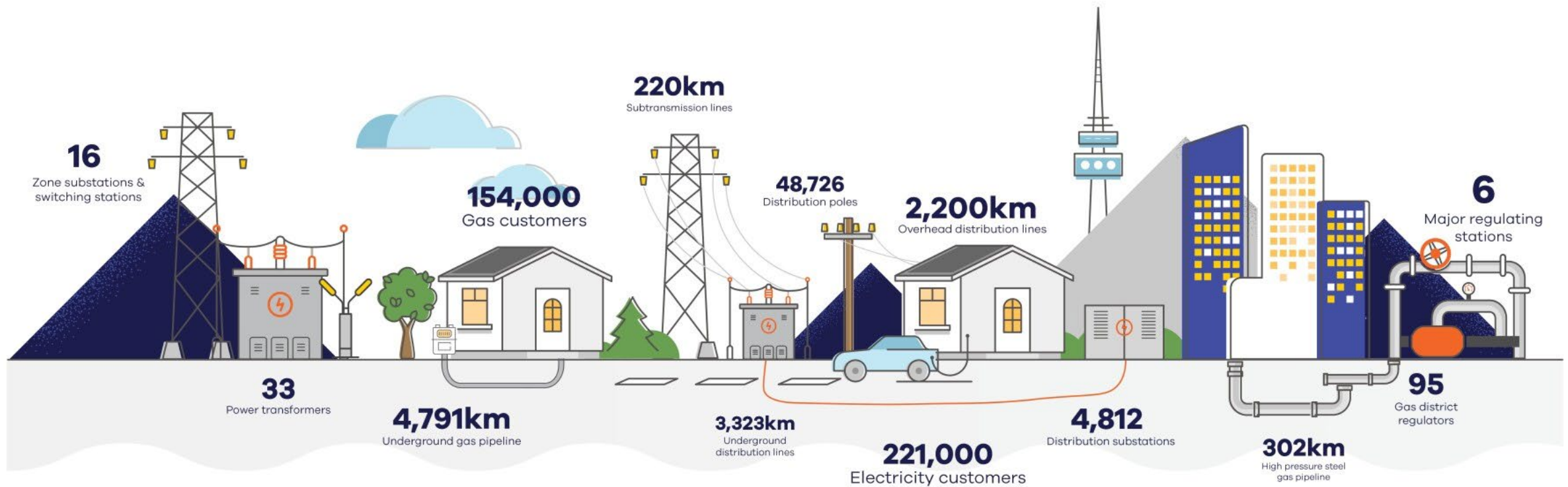
Peter Billing, General Manager Evoenergy



# Who owns Evoenergy?



# Evoenergy's networks

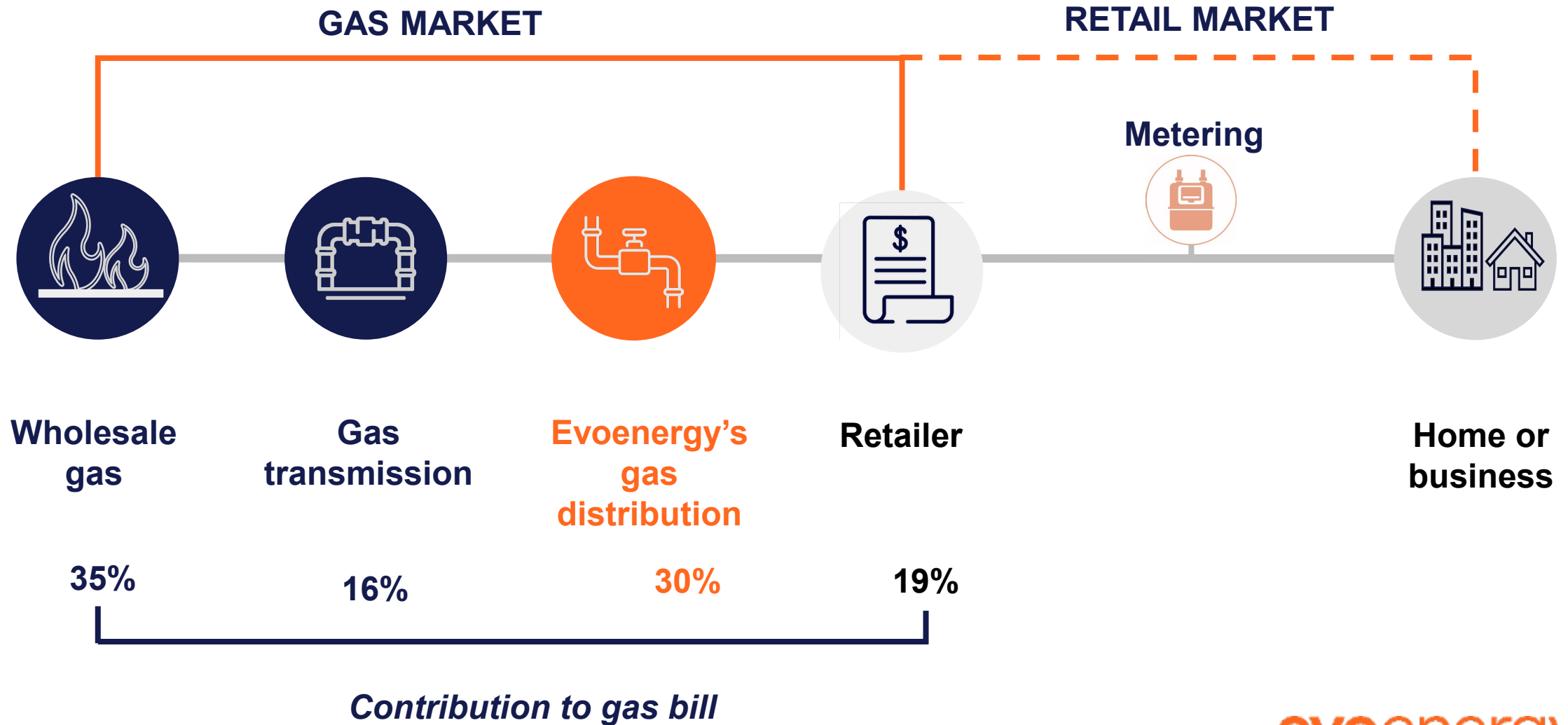


## Our gas network represents:

- ~ 3% of total volume of gas distributed to consumers across National Energy Market
- ~ 4% of total gas customers in the National Energy Market

# Our gas network

# Evoenergy in the gas supply chain



# Evoenergy is a monopoly provider of gas services and is subject to a range of Territory, State and Commonwealth regulation



Safety and reliability of gas services



Ban on new gas connections



Prices, services and revenue



Security of Critical Infrastructure (SOCI)



Workplace safety

- Gas and electricity network businesses are ‘natural monopolies’ - we do not operate in a competitive market
- To ensure the interests of consumers are protected, the maximum revenue we can earn is regulated by the Australian Energy Regulator
- Every five years we submit a plan to the Australian Energy Regulator for review to determine the amount of revenue we can earn from our customers
- The regulatory framework is set out in the National Gas Rules and National Electricity Rules and requires Evoenergy to submit proposals to the Australian Energy Regulator for assessment
- The main role of economic regulation is to set *efficient prices* for customers using the gas and electricity networks, while balancing *customer outcomes* in terms of *quality, safety, reliability, security and achieving emissions reductions policies* – National Gas Objective & National Electricity Objectives

# Evoenergy's five-year investment plan

We need to ensure we have the right level of funding so that we can serve the long-term interests of our consumers by:



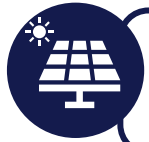
Continuing to provide a safe and reliable gas supply at acceptable service levels



Continuing to meet our regulatory obligations



Providing an adequate return to shareholders for investment in gas network

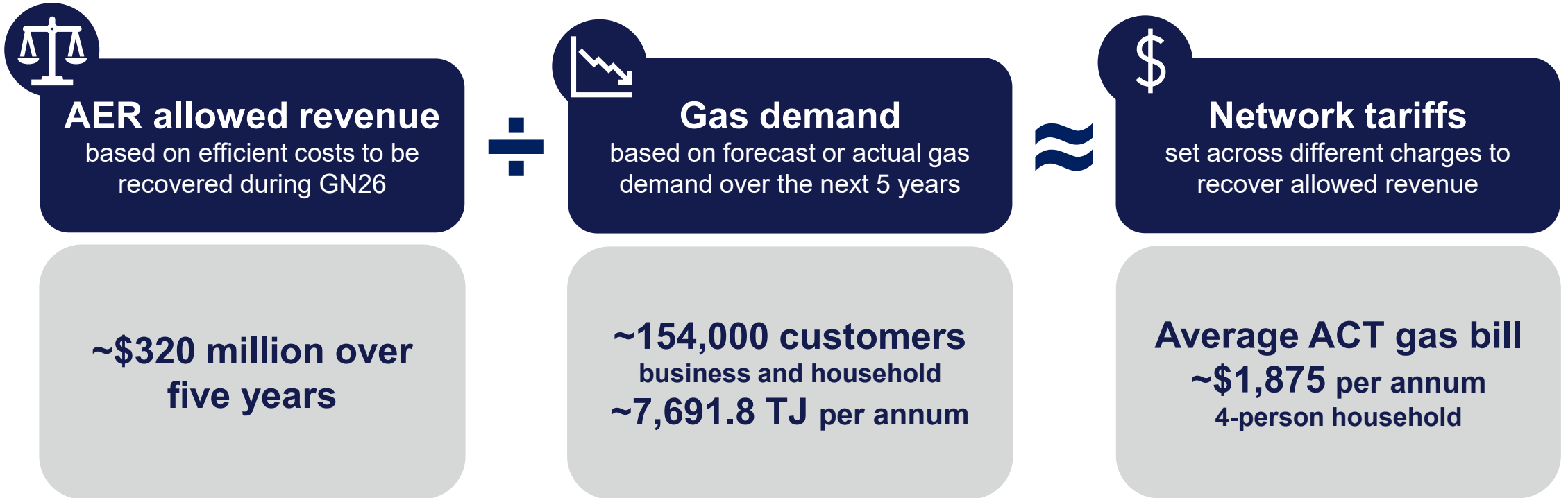


Responding to the ACT Government's electrification pathway (phase out of fossil fuel gas)

Doing all this as efficiently as possible



# How Evoenergy's revenue is recovered from customers



# ACT Government's plan to phase out fossil fuel gas



**Stage 1** consumer led transition supported through various ACT Government incentive schemes and programs



## **Stage 1 2024 – 2030: Setting the foundations for success**

The ACT Government is supporting the consumer led transition through various incentives. This stage includes a phase-in of a ban on new gas connections from December 2023.

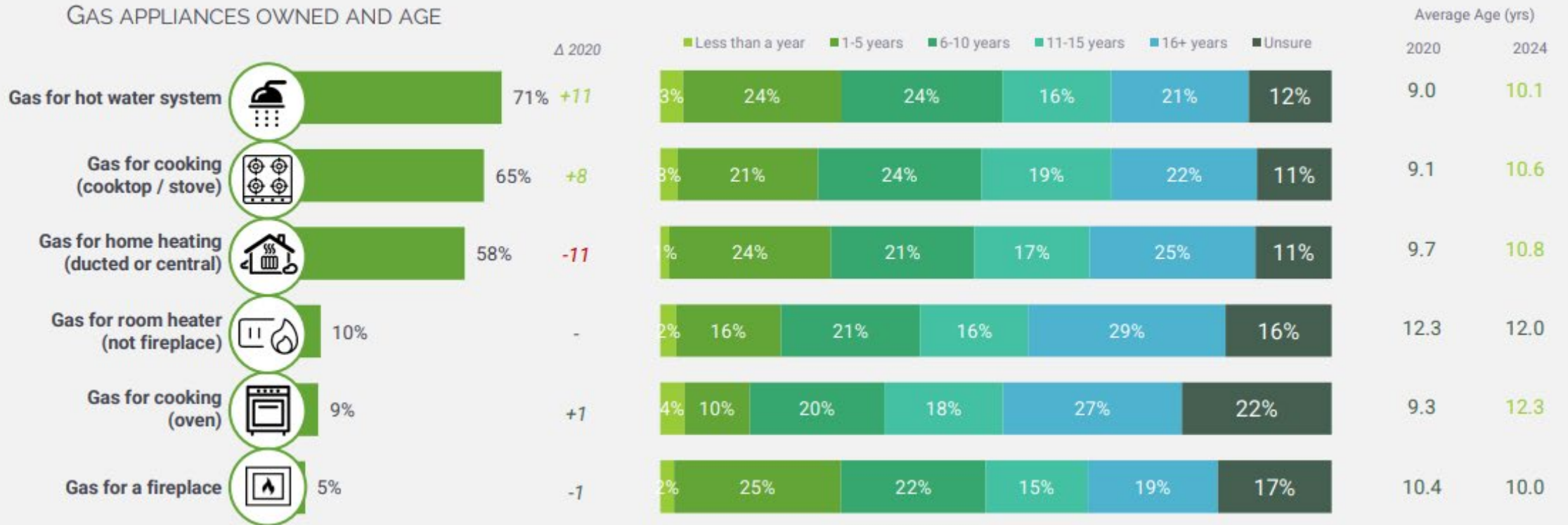
## **Stage 2 2030 – 2035: Accelerating the transition**

The ACT Government continues to encourage behavioural change and provide information to assist the community, as well as introducing additional measures to accelerate the transition. This stage could include implementation of regulatory measures.

## **Stage 3 2035 – 2040: Electric Canberra delivering for households**

The ACT Government expects a focus on the phased decommissioning of the gas network.

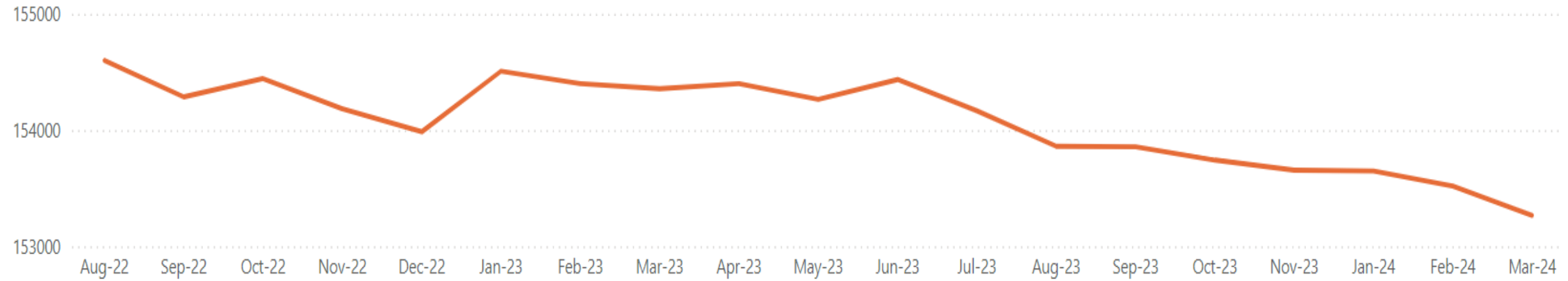
# Household gas appliances are getting older and they are being replaced with electric appliances



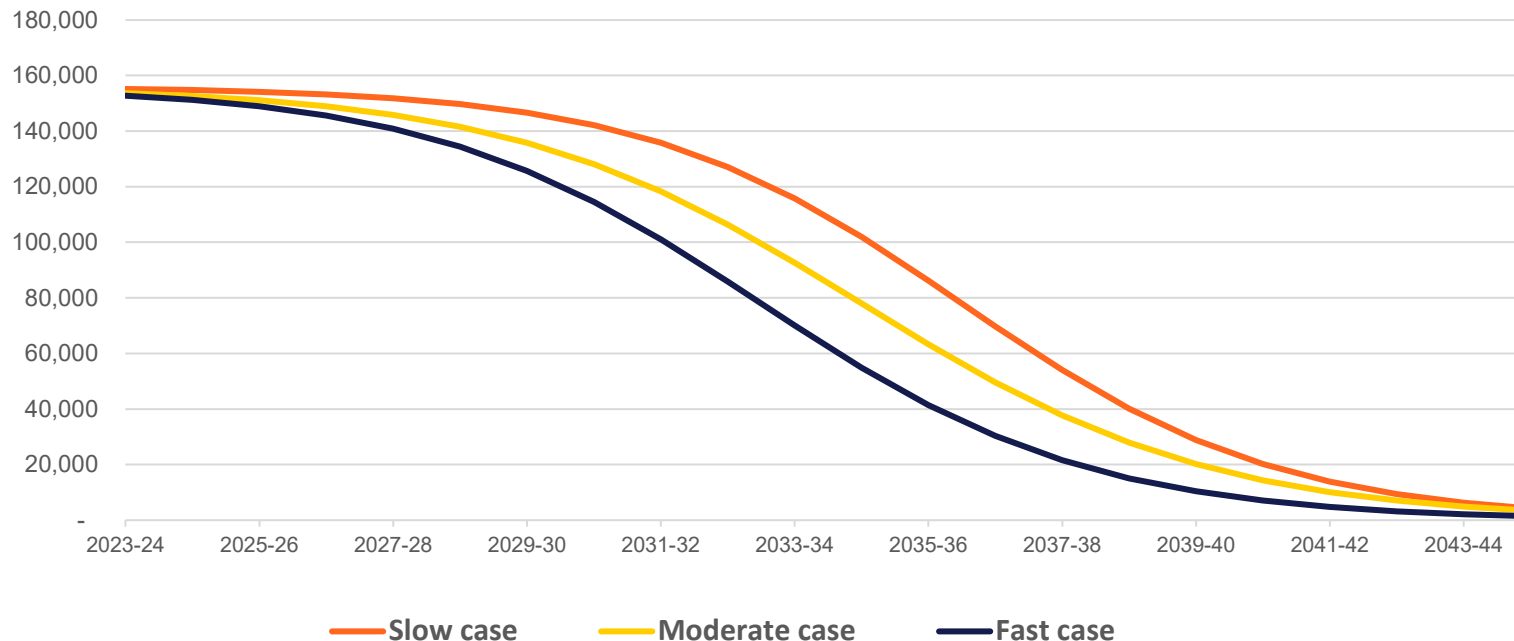
*Demand for Evoenergy's gas services is falling*

# Demand for our gas services is falling

Connections Over Time



# Understanding and predicting demand for gas services is key to sharing costs, but it is more uncertain than ever



*We'll use three illustrative scenarios of declining gas customers, as well as the impact on some typical customers to help describe the impacts of different options we are considering as we develop our five-year plan.*

# Site visit

- Safety is a priority
- Ask lots of questions
- Naming the community forum activity

# Morning tea



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# Lunch





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**What do you  
value about your  
gas supply?**



## Values in action – your gas supply

**Pick a value** – as a small group do the following:

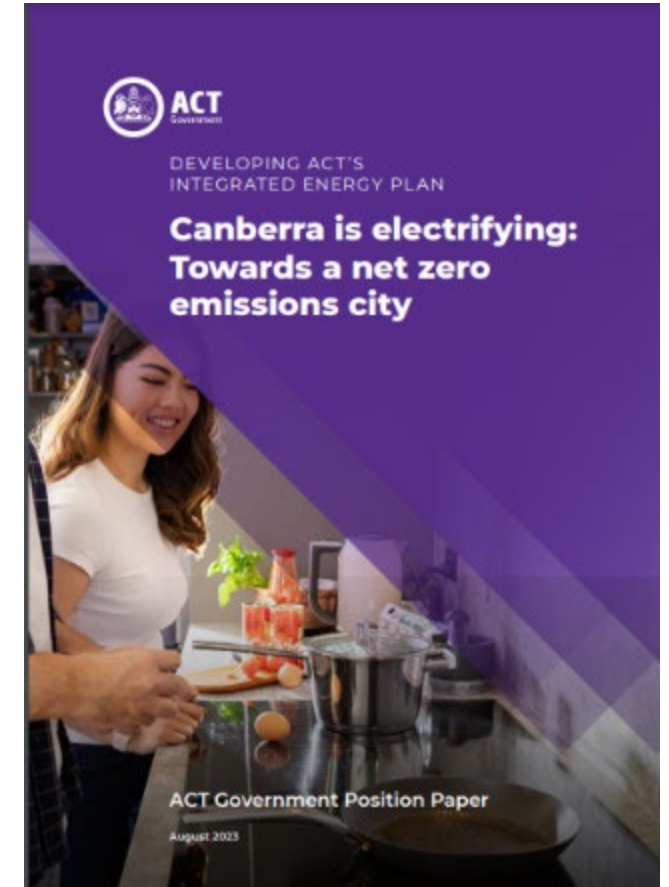
1. Confirm the name or description of the value – is it right?
2. Discuss and write down what this value could mean with respect to the gas network and the energy transition.

# Group discussion

Community values

# Principles in the Integrated Energy Plan

1. Get the ACT ready for our electric future
2. Provide a clear and implementable pathway to achieve and maintain net zero emissions
3. Prioritise a fair and equitable transition to net zero
4. Educate our community and industry to prioritise and take action to manage a sustainable and responsible transition
5. Provide policy certainty so industry and community investments are made in the right areas at the right time
6. Develop policy which contributes to building a strong and stable energy system powered by renewables
7. Capitalise on the significant reputation and economic benefits for the ACT as a world leader in the transition
8. Establish the conditions for a transition by supporting the development of a net zero emissions ecosystem.



# Session review and reflection



# Today's outcomes and reporting back to the community

We will develop a snapshot of deliberations and outcomes during each session.

You will review and endorse the outcomes as a group to ensure transparent reporting on consultation and outcomes.

Session 1

4 May 2024

- Introductions, values and principles
- About the gas network and Evoenergy
- Uncertainty and the energy transition
- Site tour

**Attendees**

- #32 Forum members
- #2 Observers from the Energy Regulatory Advisory Panel
- #8 Evoenergy staff

**Presenters**

- John Knox, CEO
- Peter Billing, General Manager
- Bruce Hansen (site tour)

**Facilitator**

Helen Leayr

**Outcomes**

**Values**

Community and family, Communication and collaboration, Honesty, transparency and genuine, Fairness and equity, Kindness and compassion and Adaptability and empathy.

**Values as they relate to gas**

Equity and ability to transition, transparency and fairness of fees, costs, timelines and information, we all contribute and are in it together and effective communication.

**Operating principles**

*Participants considered how they wanted to work together:* Respect, open mind, being ready to share, listening, considering ideas, listening, honesty, tolerance, sense of humour, anonymity, transparency, focus and everyone has a voice.

**Reflections and learnings**

- Introduction to Evoenergy and its network, including a site tour
- Getting to know each other
- Storywall questions

**Next steps**

- Join Slack
- Values and principles shared (via Slack)
- Session 2, 9 May 5-8pm, Rex Hotel

## Staying in touch

- You will be **emailed a link** to join a slack conversation group
- Slack is a free app, which can be downloaded on devices or PCs
- Our forum principles and values apply for discussions, as does Slack's terms and conditions.





## **Next forum: Session 2**

- Reflect on first session (this session)
- Learn about tariffs and tariff variation mechanisms
- Consider how risk is shared and options for how Evoenergy recovers revenue

**9 May, 5-8pm, Rex Hotel**

# Heads, hands, heart checkout



**Head:** Something you are thinking about



**Hands:** Something you want to do



**Heart:** Something you are feeling.

Slido.com  
#3524981



slido



**Something you are thinking about**

ⓘ Start presenting to display the poll results on this slide.

# slido



## Something you want to do

ⓘ Start presenting to display the poll results on this slide.

**slido**



**Something you are feeling**

ⓘ Start presenting to display the poll results on this slide.

slido



**The information presented today was**

ⓘ Start presenting to display the poll results on this slide.

slido



**I felt the information provided today was transparent.**

ⓘ Start presenting to display the poll results on this slide.

# slido



**The ability to participate and contribute to discussion was:**

ⓘ Start presenting to display the poll results on this slide.



**Thank you**