

Session 4, 27 July 2024

- Reference Service Proposal update
- Recap revenue recovery
- Consider the challenge and approaches

Attendees

- 29 forum members
- 3 observers: Energy Regulatory Advisory Panel; Australian Energy Regulator
- 8 Evoenergy staff

Presenters

- Megan Willcox, General Manager Economic Regulation
- Andrew Ponsonby – Principal Economic Modeller
- Alexis Hardin – Manager Regulatory Finance and Strategy

Facilitator

Helen Leayr,
Communication Link

Recovery of network investment costs: Introduction

Group activity 2: Consider the depreciation approaches

Participants recognised it as a challenging situation, but it is important to find a balance. Some participants said this is a policy-driven decision and that the transition will impact everybody in one way or another. Some said that residential customers should be considered differently than commercial customers. Participants also raised industry capacity and human impacts.

Participants need accessible information to make an informed decision to make a choice. Opportunity to share information in more ways to communicate longer-term impacts. People may not be aware of the impacts of the transition.

Participants said it is important to bring all players together in the conversation. It is hard to pick one approach over the other without all players at the table.

Questions were raised on whether Evoenergy needs to recover 100% of costs. There were also discussions around how different approaches may provide more or less incentive to transition.

Group activity 3: Consider an exit fee

Customers expressed the opinion that an exit fee was contrary to the government policy to encourage transition away from gas. Some participants said that an exit fee disincentivises leaving early and questioned the need to add an exit fee on top of already significant transition costs.

Potential approaches to address this challenge

Group activity 1: Consider the challenge

Participants said it was important that in addressing the challenge, Evoenergy consider the costs for those left on the network, and prioritise clarity and information for customers (e.g., central point, Q&A sessions). Groups discussed sharing the costs fairly as the transition is a government-agreed position. Some felt it was not fair to leave those left on the network to shoulder more of the cost, others feel the cost should not be borne by those who have made the transition already.

There was discussion about the need to recover all network costs. Some suggested this was not feasible. The groups were interested in network ownership and the relationship between Evoenergy and the ACT Government, and the other ACT taxes.

One idea shared such was that universities as centres of research and development being pushed to transition early to lead the way, rather than being large customers and considered harder to transition.

Groups discussed the ethical considerations of reaching net zero as a social policy and the impact relating to the broader cost of living. The group considered how the Government's policies and incentives can encourage people to get off the gas early and what role Evoenergy and pricing should play as incentivisation.

Next steps

- Session 5, 1 August 2024
- Update session 4 dashboard summary based on today's feedback
- Keep in touch via Slack