Session 5: Community forum summary

Session 5,
1 August 2024

- Disconnection options and approaches to recover disconnection costs

Attendees

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

Presenters

- Bruce Hansen, Group Manager Gas Networks
- Megan Willcox, General Manager Economic Regulation

Facilitator

Helen Leayr, Communication Link

Temporary & permanent disconnections

Group activity 1: Consider methods of disconnection

Participants shared a mixed response to whether they knew the difference between permanent and temporary disconnections before joining the community forum. Roughly half of participants shared that they were aware, and the other half shared that they were not aware.

Participants felt that gas customers have no understanding at all about the difference between a permanent and temporary disconnection.

Group activity 2 & 3: consider permanent disconnection costs

A 50/50 split was considered a fair approach by a number of groups. There was concern around bill impact and disconnection costs going up for those left on the network over future regulatory periods. It was suggested disconnection costs be kept to a minimum through efficient scheduling of disconnections, reducing retailer 'mark-up' etc

Some thought that as a Government policy, every resident in the ACT should pay. It was suggested that the ability to temporarily disconnect not be available to customers.

A higher upfront price may make it harder to communicate the safety risk, and if it costs are too high, customers will not want to pay which may be a disincentive to disconnect. There were concerns that higher disconnection costs when compared to the cost of changing appliances may mean those with only one appliance may not disconnect to avoid the cost.

The idea of a 'disconnection bank' was suggested. Where disconnection cost is calculated on a per customer per year basis. The customer pays an annual proportion of that total cost until they leave the network and then they pay the balance. Over time the balance goes down - like forced savings.

It was also suggested to incentivise people to disconnect early by offering a 'street/neighbourhood price' that reflects the fact that if everyone gets off at once there is a saving shared by everyone.

Other potential options to address the network cost recovery challenge

Group activity 4 & 5: Other ideas to address the challenge of recovering network costs

Increased pricing and operational synergy between gas and electricity networks. A suggestion that the structure of the energy ownership should change – e.g. electricity and gas be considered one.

Encouraged conversations within ACT Government to consider the energy transition holistically.

Participants challenged what would happen if Evoenergy did not recover all their costs and suggested it was unreasonable to expect to do so.

It was suggested that the transition may happen at a faster pace than Evoenergy was expecting,. Evoenergy should play a role to incentivise customers to transition.

Participants asked what will happen to assets when they are waste and from a customer perspective, they don't want to be taxed multiples times.

Ideas that were prioritised by the group: the current regulatory framework is no longer appropriate; that Evoenergy transition faster that the Government timeframe be innovative/revolutionary; the disconnection bank idea and managing transition on a suburb-by-suburb basis, bringing together all the energy (gas and electricity) to be considered as a whole; do not recover all 100% of assets; ACT Government pay more of the costs.

Next steps

- Session 6, 15 August 2024
- Update session 5 dashboard summary based on today's feedback
- Keep in touch via Slack