

Dashboard Report GN26 engagement

Energy Regulatory Advisory Panel

Meeting 2 | 7 February 2024

This dashboard summarises discussion and feedback on the GN26 engagement narrative, engagement tools, channels and scenarios.

Narrative and key messages



- Highlight the importance of looking through a consumer lens and why it matters to consumers.
- Clearly outline the context of transition, including the policy direction of the IEP, and its alignment with government policy objectives aimed at sustainability and emissions reduction.
- Outline risks and challenges in the context of continuing to provide affordable, safe and reliable services for customers.
- Focus on key challenge of recovery of costs with a declining customer base.
- Conversations will explain and explore the links to the electricity network.
- Increase focus on customer choice, agency and capability, e.g. recognising customer costs associated with appliance costs.
- Recognise businesses and NSW customers.

Sequencing of the engagement topics



The following restructuring was proposed

1. **Recovery of costs from a declining customer base** including reflecting the importance of customer choice and fair cost allocation, especially for vulnerable customers. Integration with electricity planning and operating the network efficiently.
2. **Managing uncertainty and risks**, incorporating tariffs/pricing models, asset depreciation and access arrangement length. Enabling customer choices and aligning push-and-pull factors to different customer groups to ensure fair outcomes and recognition of customer preferences.
3. **Gas demand forecasts**, adding in changing impacts of demand beyond the 5-year regulatory period. Consider appliance-specific approaches and government incentives. Understand customer agency and capability to participate in the transition.
4. **Disconnections / Abolishments / Decommissioning**, including reflecting individual costs impacts (appliances, disconnection fees etc.) as well as broader network and societal costs. Consider who should bear these costs.

Scenarios

The following themes were discussed in relation to the development of scenarios



- **Consider 2 scenarios:** one that follows the ACT Government IEP pathway to 2045 and one that is based around customer trend behaviour to 2030.
- **Long-term impacts:** decisions made today will significantly affect the next 20 years, acknowledge the importance of potentially wrong assumptions and consequences.
- **Plausibility:** the plausibility of scenarios must be considered.
- **Trade-offs and consumer impact:** discussing trade-offs to understand the impacts on consumers, including economic costs associated with transitioning customers off gas and the implications for the electricity network.
- **Scenario types:** scenarios include consumer-driven transitions with and without government support, reflecting varying consumer agency and capability.
- **Policy alignment and regulatory support:** there are challenges in aligning assumptions and scenarios due to uncertainties in government policies and predictions. Regulatory interventions and support for vulnerable consumers need to be considered in scenarios.
- **Collaboration with government and regulators:** collaborative efforts with government and regulatory bodies in the development of the scenarios was suggested for credible/plausible transition paths and policy alignment, noting however, that government has set its own view of the pathway to 2045.
- **Consumer engagement and preferences:** scenarios as tools for engagement with consumers is crucial to understanding preferences and concerns regarding transition speed and costs.
- **Explaining costs:** It was suggested that 'cost buckets' could be used to explain the different costs that need to be recovered and how these are best managed individually and collectively within the GN26 period and out to 2045.

Channels and voices



Customer types and stakeholder groups:

- Evoenergy should cast the net wide and consider tapping into segments such as real estate agents, retailers, financial counselors, community organisations, landlords and small businesses for their insights on the gas transition.
- Opportunities to gather data from retailers, financial counselors, and community organisations.
- The importance of understanding different age groups and their capabilities and needs regarding home electrification was highlighted e.g. 40-45 year olds may be most impacted due to stage of life and period of transition.
- Vulnerability can be defined in different ways e.g. economic, social, physical, cultural, temporal, and specific challenges related to transitioning to new energy systems.

Tools and channels for engagement:

- Develop a simple plan on a page as an engagement / communication tool.
- Panels, forums, specialist steering groups, energy cafes, street walks and youth steering groups were mentioned as potential engagement platforms.
- Consider the potential to partner with the ACT Government and involve those accessing government incentive schemes into engagement activities.
- Consider other engagements and touchpoints Evoenergy has with customers as vehicles for capturing feedback and data.
- The importance of early publication of engagement to inform stakeholders like government agencies and regulators was emphasised, as was the importance of reporting back to the community on how consumer-identified outcomes will be addressed.
- Utilise surveys to gather consumer feedback, to provide insights into preferences and concerns.