

# GN26 Energy Regulatory Advisory Panel (ERAP)



Meeting #2 Summary | Wednesday 7 February 2024, 9.00am – 4.30pm. ActewAGL House, 40 Bunda Street Canberra ACT

## Attendees

ERAP members Dr Andrew Nance (Chair), Louise Benjamin, Wendy Russell, Katherine Lowe, Gavin Dufty

Evoenergy John Knox, Peter Billing, Megan Willcox, Gillian Symmans, Bruce Hansen, Lauren Wachniewski, Leah Ross, Yolanda Mchao

Communication Link (engagement strategy discussion and feedback session facilitation) Helen Leayr, Amelia Simson

## Agenda

- Review of ERAP meeting #1 (key messages and actions)
- ERAP Operational Guidelines & Code of Conduct
- Recap role of ERAP
- Engagement narrative, key messages and topics (discussion and feedback)
- Engagement tools and channels
- ERAP workplan to June 2024
- Engagement scenarios (discussion and feedback)

## ERAP administrative matters

- No conflict of interest declared.
- Meeting actions noted, and the Meeting #1 Summary and Operational Guidelines endorsed for publication on Evoenergy's GN26 web page.
  - Scope of ERAP report(s) to be determined closer to when required; possibly include an assessment of how well Evoenergy has used the regulatory framework to identify, assess and manage risks to consumers during GN26.
  - Review mechanism added to Operational Guidelines -> 12 months from commencement of the ERAP or earlier if required.
- Members signed the Code of Conduct.
- Members agreed on the ERAP workplan to June 2024 -> 3 meetings to be scheduled in mid-March, mid-April and end May.

## Summary of highlights from discussions

- ERAP agreed that its role is to provide advice on key regulatory issues which promote the long-term interests of gas consumers (in accordance with the National Gas Objective) through the development of the Reference Service Proposal and GN26 Proposal. Their role would need to be clearly articulated to the AER and its Consumer Challenge Panel (CCP).
- The ERAP and Evoenergy Energy Consumer Reference Council (ECRC) Chairs would continue to liaise to bridge any gaps between the two forums and ensure that there is an ongoing feedback loop.
- The importance of good outcomes for customers was emphasised, including consideration of what good outcomes mean to different types of customers.
- Members emphasised the importance of early, close and ongoing liaison with the Australian Energy Regulator (AER) to ensure that there is a clear understanding of Evoenergy's policy context and the resultant risks to the business and community in relation to recovery of costs, including the costs associated with maintaining a safe and reliable network until 2045. Members encouraged Evoenergy to consider the benefit of investing effort to ensure that the CCP is included in the engagement journey.
- The ERAP suggested including other timelines with implications for GN26 to the GN26 timeline such as the Integrated Energy Plan (IEP), electricity network reviews (consideration of the integration of gas and electricity planning in decision making), and policy and election timetables.

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## **Summary of highlights from discussions (continued)**

- The ERAP offered views and guidance on the proposed suite of engagement tools and channels:
  - important to retain a “strong spine” of community representatives through GN26 engagement, and the energy transition more broadly
  - actively recruit a diverse and representative community forum
  - consider targeted engagement with vulnerable members of the community noting that vulnerability is hard to define as there are different layers e.g. social, economic, physical, cultural and temporal
  - use all data points and engagement channels available (including pulse checks); add weightings on engagement themes and messages as they can change fast and have a line of sight on how the weightings change
  - look for consistent themes across the various channels (triangulation), test consistent themes with different cohorts and keep note of difference in perspectives
  - consider reaching out to business customers for 1:1 discussions
  - consider partnering with the ACT Government to align thinking and seek support in developing realistic (credible and useful) engagement scenarios.
- Members noted Evoenergy intends to carry out customer research via a survey to pulse check on gas customers preferences and intentions, and a gas demand elasticity study.
- Members highlighted that the publication of a Draft Plan for public consultation (in December 2024 or early 2025) would provide an opportunity for Evoenergy to share what a consumer led transition (wins and challenges) means to its customers and other stakeholders (i.e. what is being heard from engagement and how Evoenergy will address this) with the ACT Government, AER and other stakeholders.

## **Key messages from the discussion and feedback sessions on the engagement narrative, key messages, topics and scenarios, and resulting actions**

*A dashboard report of the discussion and feedback sessions is attached.*

- ERAP members advised Evoenergy to be upfront about the issues and challenges for GN26 such as managing uncertainty, the recovery of costs from a declining customer base and how these costs will be shared – consideration of costs from individual and collective perspectives.
- ERAP members advised Evoenergy to highlight the risks and challenges that the transition poses for Evoenergy and its customers that will need to be effectively managed if Evoenergy is to continue to provide an affordable, safe and reliable service to customers until they make the switch.
- ERAP members advised Evoenergy to highlight the ACT Government’s policy mandate and Integrated Energy Plan to transition from gas to electricity by 2045.
- ERAP members reminded Evoenergy to include the NSW gas network and resulting consideration of NSW customers in engagement messaging.
- ERAP members challenged Evoenergy to consider framing engagement discussions around consumer choices (i.e., agency and capability) in the transition.
- ERAP members and Evoenergy discussed the development of two bookend engagement scenarios: I. High case aligned with the IEP phases to 2045, and II. Low case informed by the trend curve to 2030.

**Action 2.1:** *Evoenergy to work with the AER to confirm it understands the role of the ERAP in GN26 engagement and how it fits with community consultation and the role of Evoenergy’s ECRC.*

**Action 2.2:** *Evoenergy to review and update the ERAP workplan to align with revised engagement topics and note key dates relating to the IEP, electricity network reset reviews, policy and elections.*

**Action 2.3:** *Evoenergy to consider and incorporate the ERAP’s recommendations and feedback to finalise development of the GN26 Consumer and Stakeholder Engagement Strategy.*