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Gas Access Arrangement Regulatory Review 2026–31 (GN26)

Energy Regulatory Advisory Panel (ERAP)

Meeting 5: Monday 15 July 2024, 1.30-4.30pm

Acknowledgement of Country

Evoenergy acknowledges the Traditional Custodians of the lands on which we live and work. We pay respect to the Elders, past and present and celebrate all First Peoples' continuing connections and contributions to Country.

Technical housekeeping

- Turn cameras on if you can
- Keep yourself on mute while people are presenting
- Use the ‘raise hand’ feature or the chat for questions
- Timekeeping
- Meeting recording

Declaration of conflict of interest

Welcome and introductions

Agenda

- Safety share
- IEP release
- ERAP reflections on RSP preliminary positions
- Recent engagement outcomes and reflections
- Managing equity and fairness
  - Disconnections
  - Potential customer support step change
- Options for recovery of gas network costs beyond the current regulatory framework

Outcomes sought

1. ERAP to provide reflections on the implications of the updated IEP for GN26
2. ERAP to provide reflections on reference service proposal (RSP) positions
3. ERAP to provide reflections on recent GN26 engagement including ECRC, customer surveys and the revised community forum plan
4. Discuss and explore options to fairly and equitably manage disconnections from Evoenergy's gas network in relation to the NGO (long-term interests of consumers)
5. Discuss and explore a customer support step change and associated costs and benefits
6. ERAP to provide ideas on options beyond the regulatory framework for recovery of gas network costs including capital asset base, decommissioning and ongoing network costs (incl. government taxes and levies)

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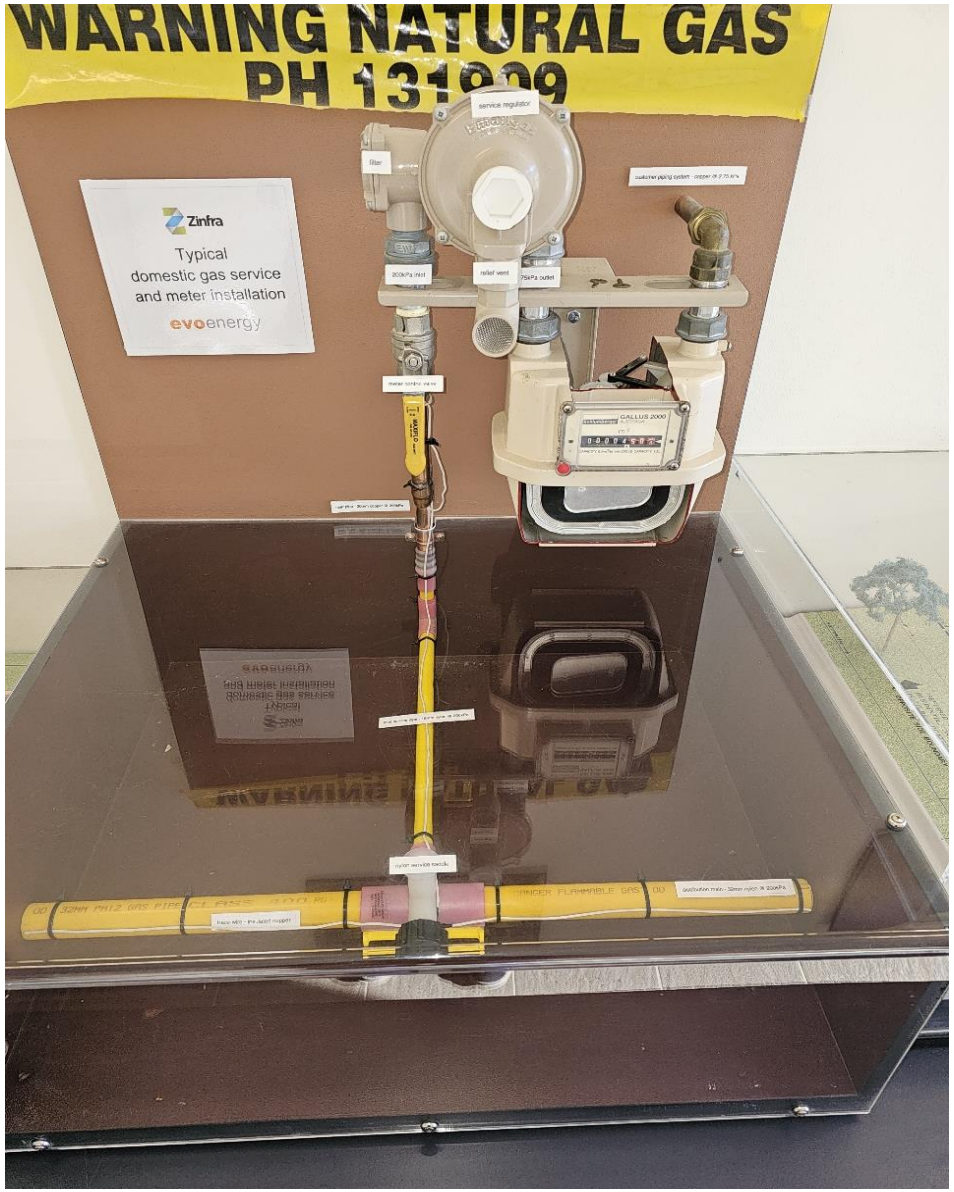
2. Safety share

Bruce Hansen – Group Manager
Gas Networks (10mins)

Disconnections | safety

Model of typical residential installation



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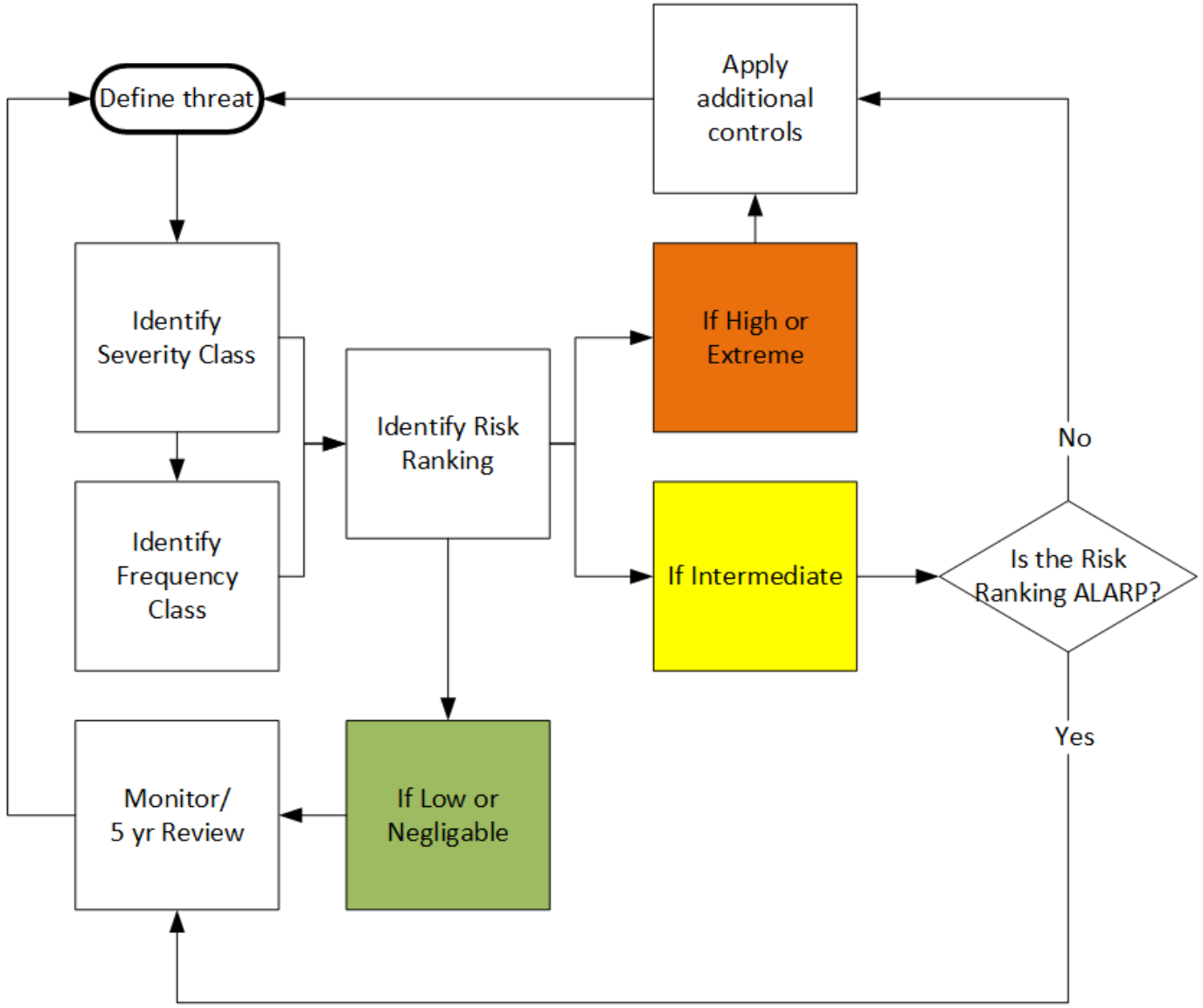
Disconnections | safety

AS/NZS 4645.1 Risk Assessment process

(Formal Safety Assessment)



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Disconnections | safety

Assessment of 3rd party damage to MP Services

Risk			Existing Safeguards/Controls				Assessment		
Threat	Consequence	Credible?	Design	Construction	Operations	Maintenance	Severity	Frequency	Result
3rd party damage to medium pressure service pipe due to operation of mechanical plant/construction activities	Hit on service pipe causing uncontrolled gas escape and ignition, leading to property damage	Yes	Depth of cover	Marker tape, depth of cover, trace wire	BYDA, service location, excavation awareness	BYDA, Service location, excavation awareness	Severe	Occasional	Intermediate

TABLE 1 –SEVERITY CLASSES

Dimension	Severity Class (Measures of Severity)				
	Catastrophic	Major	Severe	Minor	Trivial
People Note: Red text is from Jemena Risk Management Manual	Multiple (more than 3) fatalities result	Few fatalities (1 to 3) or several people with life threatening injuries	Injury or illness requiring hospital treatment	Injuries requiring first aid treatment	Minimal impact on health & safety
	One or more fatalities (staff, contractors or member(s) of the public). Significant destruction of key internal asset or third party property	Total permanent disability (staff or contractors). Multiple hospitalisations, permanent disability and/or life threatening injuries affecting member(s) of the public. Significant damage to internal assets or third party property.	Single permanent partial disability (staff or contractors). Medical aid required for member(s) of the public. Some loss of or damage to third party property.	Medical treatment injury or lost time injury (staff or contractors). On-site first aid to a small number of member(s) of the public, lost time.	Minimal impact on health & safety (staff, contractors or member(s) of the public).

TABLE 2 - FREQUENCY CLASS

Description	Indicative Frequency (per Year)
Frequent	Expected to occur once per year or more typically 1 or more times per annum
Occasional	May occur occasionally in the life of the gas distribution network typically 0.1 to 0.2 times per annum
Unlikely	Unlikely to occur within the life of the gas distribution network, but possible typically 0.01-0.02 times per annum
Remote	Not anticipated for this gas distribution network at this location typically 10^{-3} to 10^{-5} times per annum
Hypothetical	Theoretically possible but has never occurred on a similar gas distribution network

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Disconnections | safety

Assessment of 3rd party damage to MP Services

TABLE 3 - RISK RANKING MATRIX

Likelihood	Consequence				
	Catastrophic	Major	Severe	Minor	Trivial
Frequent	Extreme	Extreme	High	Intermediate	Low
Occasional	Extreme	High	Intermediate	Low	Low
Unlikely	High	High	Intermediate	Low	Negligible
Remote	High	Intermediate	Low	Negligible	Negligible
Hypothetical	Intermediate	Low	Negligible	Negligible	Negligible

- Risk may increase over time as numbers of dormant services increase and awareness of safety implications diminishes.
- To reduce the risk, further actions need to be “Reasonably Practicable”:
  - Slab all services with concrete protection?
  - Abolish dormant services?

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For noting | Status of actions from meeting #4

Status of actions from meeting #4

Action	Status
Action 4.1: Evoenergy to circulate the Sagacity Research study for ERAP's consideration.	Closed: Circulated and out of session feedback provided as noted in the summary for meeting #4. Sagacity's report publication on the GN26 webpage includes ERAP's suggested wording on the definition of 'uncertainty'.
Action 4.2: In planning Stage 2 of the community forums, Evoenergy consider: offering an optional, online Q&A session ahead of the next round of forums to maintain connection and capacity building for participants; and engaging with ERAP members on the approach to the next round of community forums.	Ongoing: July guest speaker series scheduled with ERAP members attending as observers. Discussions with subset of ERAP on framing topics for engagement e.g. capital asset base recovery.
Action 4.3: Material distributed to ERAP will be taken as read for future meetings to allow for Panel member discussion and contribution.	Closed: Noted and implemented.
Action 4.4: ERAP recommended Evoenergy contextualise the capital base recovery tasks in relation to the value of emissions reductions (i.e. the benefits and costs of emissions reductions) and consider ways to graphically demonstrate the value of emissions reductions against the capital recovery task.	Ongoing: We agree that there is value in consideration of this and have commenced analysis.

Meeting outcome #1: ERAP to provide reflections on the implications of the updated IEP for GN26

3. IEP1 release

ERAP reflections (10mins)

Meeting outcome #2: ERAP to provide reflections on RSP positions

4. RSP preliminary positions

ERAP reflections (30mins)

Meeting outcome #3: ERAP to provide reflections on recent outcomes of GN26 engagement including ECRC, customer surveys and the revised community forum plan

5. Engagement update

Yolanda Mchao – Regulatory Engagement and Project Manager (10mins)

Revised community engagement program

Building capacity in our members to facilitate richer and informed values-based discussions on options facing Evoenergy as we develop our Draft Plan

Exploring options and considering the trade-offs, strengths and weaknesses and alignment with values of those options

Guest speaker series
3, 17 & 24 July 2024

Building capacity
to facilitate a deeper understanding of the regulatory and policy context facing our gas network and gas customers with guest speakers on the following topics:

- Integrated Energy Plan
- Perspectives of vulnerable customers
- The national energy transition and ACT context

3 x 1-hour optional, online sessions (paid)

New

Network costs and capital base recovery part one
27 July 2024 (F2F)

Learn about
the regulatory framework supporting efficient network investment and cost recovery (building blocks) and options to depreciate the capital base

Explore customer values (including equity, fairness and the environment) and the impacts on customers of recovery of the capital base recovery and other network costs (expenditure)

Provide feedback on trade-offs, strengths and weaknesses of depreciation options and alignment with values

Network costs and capital base recovery part two
1 August 2024 (hybrid)

Revisit
the regulatory framework supporting efficient network investment and cost recovery (building blocks) and options to depreciate the capital base

Explore alternatives to using depreciation as a tool to recover capital base and ways in which Evoenergy can provide support to the community through the transition (step change)

Provide feedback on trade-offs, strengths and weaknesses of options discussed and alignment with values

Disconnections
15 August 2024 (hybrid)

Learn about
temporary and permanent disconnections from the gas network and how they are currently managed and paid for and the implications of these arrangements for customers and options to change these arrangements

Explore customer values (including equity and fairness) and the impacts on customers of disconnections from the gas network

Provide feedback on trade-offs, strengths and weaknesses of options discussed and alignment with values

Draft Plan
14 November 2024 (hybrid)

Review and reflect
on the impacts and implications for the community of Evoenergy's Draft Plan and consider the implications of the various regulatory elements on customer bills

Explore customer values (including equity and fairness) and the impacts on customers of the Draft Plan

Provide feedback via report on trade-offs, strengths and weaknesses of options presented in the Draft Plan, as well as alignment with values

Updated approach with more small group discussions and opportunities for cross-group discussions, open-ended slido questions. Focus of discussions will be on the community impacts and alignment with community values.

What we're hearing from other engagement

Stakeholder	Feedback / sentiment
Community forum guest speaker series session #1: ACT Government presentation on first IEP 2024–30 *24 CF participants attended*	• IEP builds on already established strategies. • Principles for the transition: clear & implementable pathway, education for community, prioritising a fair & equitable transition, strong & stable energy systems, removing barriers to transition (technical, regulatory & economic). • Enablers of the transition: skills & workforce, 100% renewable electricity for ACT, fit for purpose electricity network (review of local regulatory & technical requirements), managing the gas network (plan to decommission->safe & efficient, avoid price shocks, planning & visibility for consumers i.e. no surprises, develop policy & regulatory frameworks to support safe, efficient & equitable decommissioning).
ACT Government	• IEP identifies a new action to develop a gas meter abolishment policy in partnership with the AER, Evoenergy and Utilities Technical Regulator ahead of the AER's consideration of Evoenergy's GN26. • Committed to working with Evoenergy and the AER to consider options to manage the risk that the impact of declining gas demand will lead to a significant increase in prices for consumers who remain on the fossil fuel gas network.
ECRC	• Reiterated the need for greater focus on communication/education to support consumers through energy transition. • Interest in other options for capital asset base recovery beyond the regulatory framework – e.g. noted the community benefit of lower emissions and therefore potential for costs to be spread beyond gas customers. • Interested in more information on customer segmentation and encouraged Evoenergy to present examples for commercial as well as residential customers. • One member noted that capital base recovery using a customer-weighted approach seemed fairer and more equitable than the straight-line approach
AER	**RSP positions:** • Recognised the need for continued consideration and engagement on the non-binding elements of the RSP (TVM and tariff structures). • Noted the TVM assessment will take into consideration jurisdictional circumstances. • Generally supportive of flattening tariff blocks over time, while recognising that it is difficult to assess the impact of flatter blocks on demand. **Capital base recovery:** • Indicated the AER will regularly engage with ACT Government and provide us with feedback.

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What we're hearing from other engagement

Customer segment	Research findings
Annual customer survey	Out of 1,480 customers surveyed about their intentions to electrify their households: • 14% have already completely transitioned to all-electric households, having replaced all gas appliances and disconnected gas. • 2% have completely replaced their gas appliances but still have a gas connection. • 10% have replaced some of their gas appliances. • 15% are planning to replace some or all of their gas appliances within the next 0-5 years. • 10% are planning to replace some or all of their gas appliances within the next 5-10 years. • 7% are planning to replace some or all of their gas appliances within the next 10-20 years. • 24% indicated they have no plans to transition from gas. • 17% have never had a gas connection at their current property. Overall, 35% of customers have started or plan to electrify their homes over the next ten years.

Major customer survey	• 24 large customers were asked about their intention to electrify their businesses:
	  • Over 90% of the large customers indicated they were planning to electrify their businesses, of those 74% indicated they would undertake the transition in the next 5 years.
	  • In discussions with us, large customers noted that cost is the biggest inhibitor to undertaking the transition.

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5-minute break

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Meeting outcome #4: Discuss and explore options to fairly and equitably manage disconnections from Evoenergy's gas network in relation to the NGO (long-term interests of consumers)

6. Managing equity and fairness: Disconnections

Ashlyn Napier – Principal Regulatory Economist (45mins)

Considerations for ERAP: disconnections

1. Do you consider that Evoenergy's guiding **principles for developing a position on disconnections** aligns with customer values (e.g., safety and equity)? Are there any other key principles that we should consider?
2. What are your thoughts on our preliminary view* to support public safety and an equitable energy transition through **promoting permanent disconnections instead of temporary disconnections where it is appropriate** to do so, and **recover costs on a user pays basis**?
3. Are there any other **actions or practical options that you think Evoenergy should consider in developing an approach to disconnections** (noting that the approach is under development*)?
4. Do you think our **proposed engagement approach** will be effective for understanding customer preferences? Is there anything else that Evoenergy should consider when engaging with our stakeholders and the Community Forum?

*Evoenergy's preliminary position is subject to additional analysis, practical feasibility and implementation issues, ALARP (safety) review outcomes, and stakeholder engagement.

Values defined by the Community Forum

- Adaptability + empathy
- Community + family
- Communication + collaboration
- Fairness + equity
- Honest, transparent + genuine
- Integrity + ethics
- Kindness + compassion

The values as they relate to gas

- Ensure that no one is left behind, recognising that one size does not fit all.
- Remember that not everyone can adapt to the transition at the same pace and some people will need more help than others. Be flexible and empathetic.
- **The transition needs to be affordable for everyone in our community and not contribute to 'haves and have-nots'.**
- **Everyone should be entitled to participate in the transition in a fair way. Consider how to achieve equity and fairness across all customers including home-owners, renters and businesses. Seek to be fair over time and consider future generations.**
- **Maintain transparency across all areas including the options available to customers; the costs at different stages in the transition; and safety implications for the network.**
- Be adaptable, adopt innovation and new technology where appropriate.
- **Keep the community informed so they can make informed choices, through education campaigns and easy to understand information in multiple languages. Outline the journey and the final outcome. Seek to counter misinformation without being divisive.**
- Consider the implications of job losses in the gas sector.
- Consider community-based activities such as community energy solutions and impacts on individual suburbs.

Guiding principles for Evoenergy's disconnection initiatives

1	**Safety** – prioritising safety in everything we do for staff, customers, and the community. Includes facilitating a safe energy transition while maintaining security and reliability of energy supply.
2	**Equity and fairness** – for everyone who benefits from an energy transition, *recognising that one size does not fit all*, and *ensuring that no one is left behind*. Promote *affordability for everyone* impacted by the energy transition.
3	**Emissions reduction**– Consistency with the National Gas Objective and ACT Government policy direction to facilitate reduced greenhouse gas emissions, which has intergenerational benefits.

Based on the guiding principles, Evoenergy's preliminary view on achieving objectives is through promoting permanent disconnections (instead of temporary disconnections where appropriate), and to recover costs on a user pays basis, including the costs associated with maintaining wadded connections for temporarily disconnected customers*, to provide economic incentives to facilitate an equitable and safe energy transition. Evoenergy's preferred approach proposed to the AER will be informed by stakeholder engagement, ALARP (safety) review outcomes, consideration of feasibility and implementation issues.

*Evoenergy's position is subject to additional analysis, practical feasibility and implementation issues, ALARP (safety) review outcomes, and stakeholder engagement.

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Temporary disconnection

Temporarily disconnection level of **safety risk increases** with time

- A wad/disc is placed in front of the meter to prevent gas throughput
- Completed by an authorised Evoenergy gas technician
- Cost of temporary disconnection is recovered from customer/retailer
- Learn more here: A temporary disconnection from our gas network (youtube.com)

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Permanent disconnection (abolishment)

Permanent disconnection **eliminates safety risk**

- Removal of above-ground gas infrastructure from private property. The service pipe left in place but cut off at both ends.
- Work completed by an authorised Evoenergy gas technician
- Cost recovered from customer/retailer
- Permanent and irreversible (*Climate Change and Greenhouse Gas Reduction Act 2010*)
- Gas network supply charges cease
- Learn more here: A permanent disconnection from our gas network (youtube.com)

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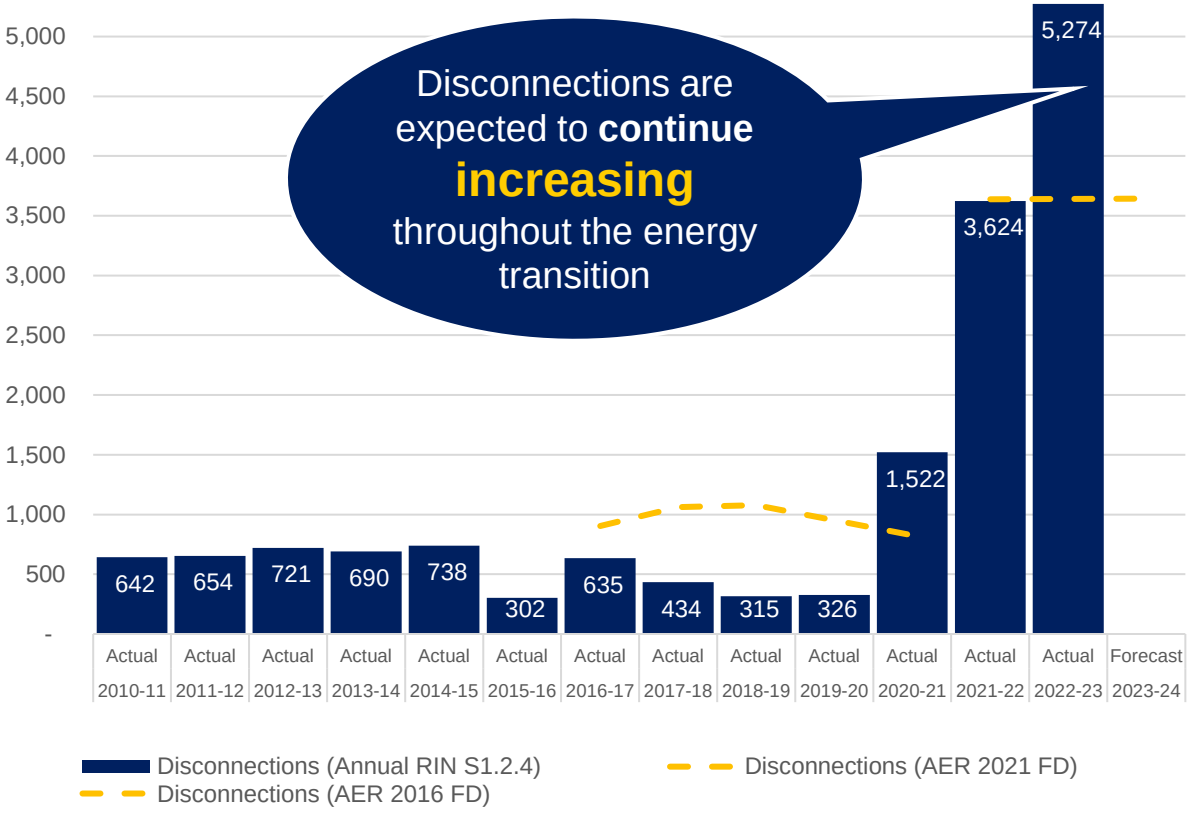
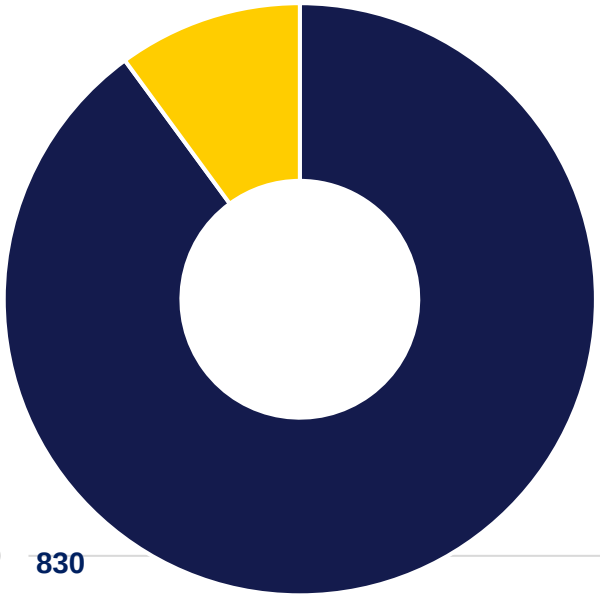
Number of disconnections



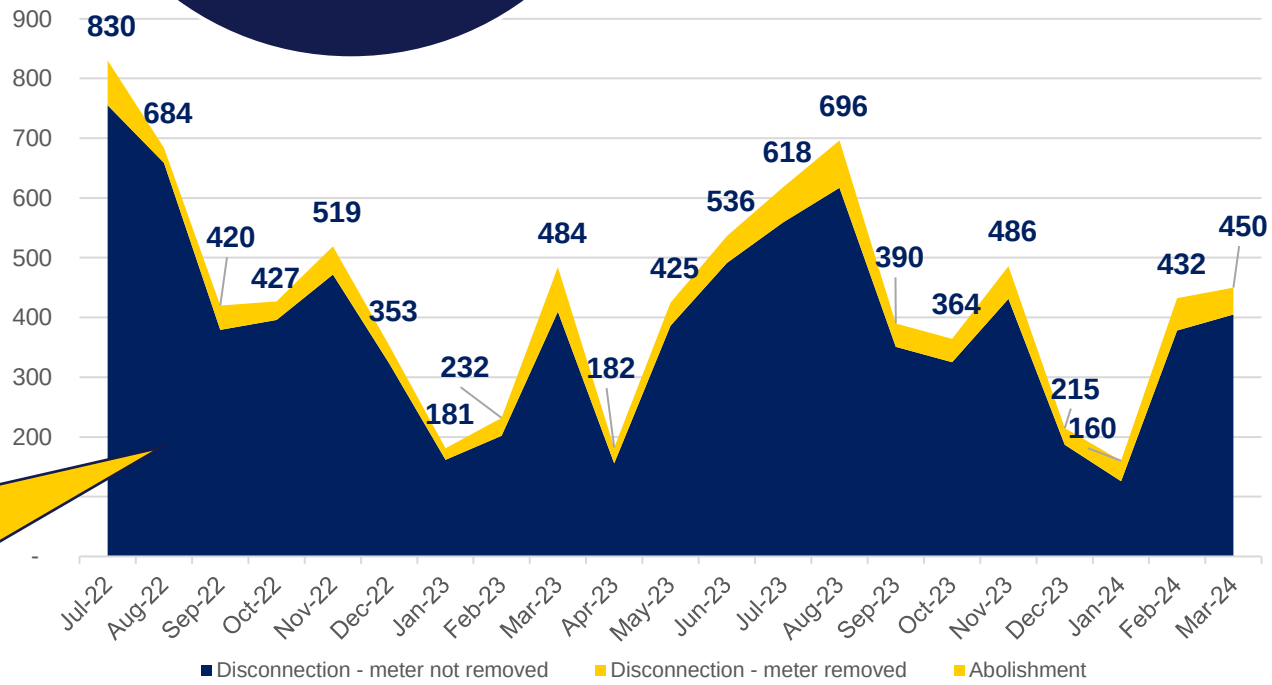
Disconnections are expected to **continue increasing** throughout the energy transition



90% temporary disconnections

10% permanent disconnections

*based on AER Quarterly report for disconnections July 2022 to March 2024



Significantly higher proportion of Users request a temporary disconnection, when **a safer permanent disconnection (abolishment) is more appropriate** if they do not intend to consume reticulated gas in the future.

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Current cost of disconnecting

Permanent disconnection (abolishment)

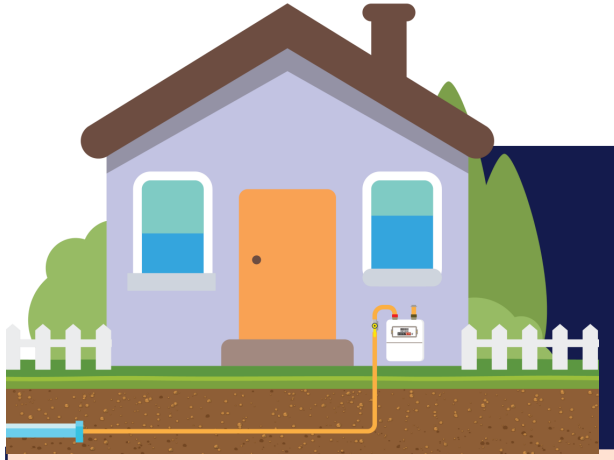
$862 - $1,583

(depending on meter size for 2024-25)

There are NOT ongoing costs associated with permanent disconnections.

Current costs include:

- Labour
- Materials
- Other inputs such as traffic management, concrete saw cutting and hard surface restoration
- Indirect costs such as retailer management, customer enquiries



Temporary disconnection

$168 - $233

(depending on meter size for 2024-25)

There are ongoing costs associated with temporary disconnections.

Current costs include:

- Labour
- Materials
- Indirect costs such as for retailer enquiries, customer enquiries, contract management field audits

The current cost of a customer temporarily disconnecting currently *excludes* costs associated with maintaining that connection (e.g., maintenance, meter reads, and emergency response services).

The current cost of a customer disconnecting *excludes*:

- Evoenergy's foregone opportunity costs (i.e., future cash flows as the connection has not yet reached end of life), from its investment to connect a customer (e.g., customers do not pay connection charge or exit fees).
- Additional future costs imposed on remaining customers as fixed costs are recovered on a socialised basis over a declining customer base, with an increased risk of asset stranding.

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Temporarily disconnected customers (wadded MIRNs)

Cost recovery

- Costs associated with temporality disconnected MIRNs include meter reading, emergency response services, and other maintenance activities.
- Temporarily disconnected customers do not contribute to costs associated with maintaining their wadded connection, creating a free riding problem. Costs are recovered from connected customers i.e. costs are cross subsidised and socialised. This may create an equity issue as more MIRNs are temporarily disconnected (costs less than a permanent disconnection), especially as costs are recovered over a declining customer base.

Safety for temporarily disconnected customers (wadded MIRNs)

- There are safety risks associated with wadded connections remaining in situ for extensive periods of time, such as excavation strikes causing a pressurised gas main on a landholder's premises to leak.
- Customers may not be aware that there is a pressurised gas main on their property nor of the associated safety risks.

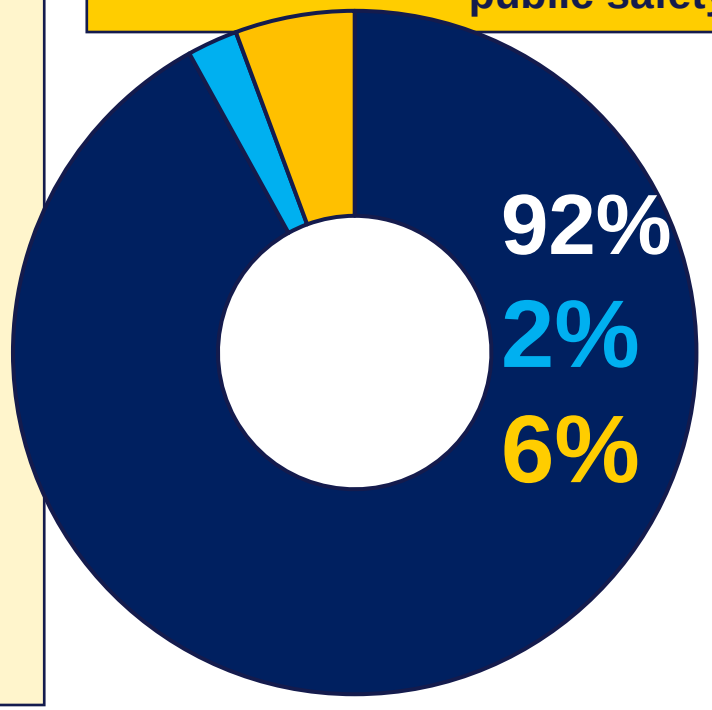
Evoenergy has around 164,300 MIRNs

13,200 or 8% of Evoenergy's MIRNs have been non-consuming for >13months
as at May 2024

3,900 or **30%** of Evoenergy's non-consuming MIRNs (>13 months) **contribute to costs**

9,200 or **70%** of Evoenergy's non-consuming MIRNs (>13 months) **do not contribute to costs**

Overall, 9,200 or 6% of Evoenergy's total MIRNs do not contribute towards costs associated with maintaining wadded connections, creating a free riding problem and public safety issues.



92% connected and consuming

2% connected and non-consuming

6% disconnected and non-consuming

As at May 2024

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Disconnections cost recovery

Cost recovery approaches

Reflects the extent to which costs are passed onto connected customers and future customers/generations

<table>
<tr><th colspan="2">Full socialisation and cross subsidisation</th><th>Partial socialisation and cross subsidisation</th><th>User pays</th></tr>
<tr><td colspan="3">Cross subsidisation is the practice of charging higher prices to a type of customer to lower the price for another group of customers, allowing the revenue from one service to pay for another.</td><td rowspan="2">Cost of service paid by customer requesting the service / benefiting from the service.</td></tr>
<tr><td colspan="2">Full socialisation – cost of activity is not paid by the customer requesting the service but recovered from an alternative customer group.</td><td>Partial socialisation – cost of service is partially paid by customer requesting service, with the residual paid by the remaining customer base.</td></tr>
</table>

$ **Amount paid by beneficiary** $$$

Note that this is a simplified and additional options are available e.g., government subsidisation.

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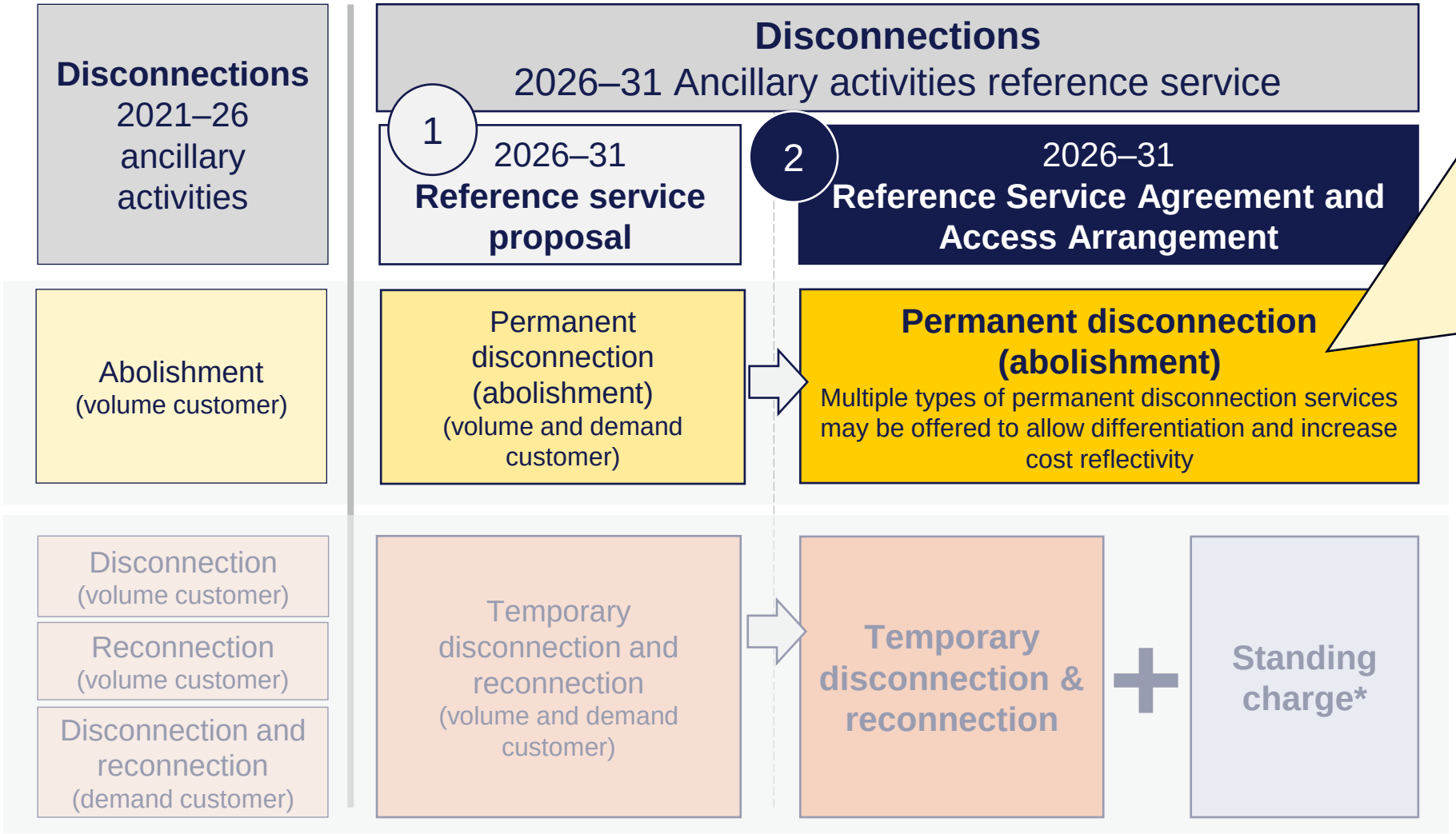
Disconnection services and cost recovery



Permanent disconnection (abolishment):

1. Evoenergy's preliminary thinking is **to maintain a user pays cost recovery approach** to avoid costs being added to capped allowable revenues, resulting in shifting the cost burden of services to future gas customers.
2. Consider introducing additional permanent disconnection services (differentiation) to **increase cost reflectivity** for different customer segments.

*Evoenergy's preliminary position is subject to additional analysis, practical feasibility and implementation issues, ALARP outcomes, and stakeholder engagement.

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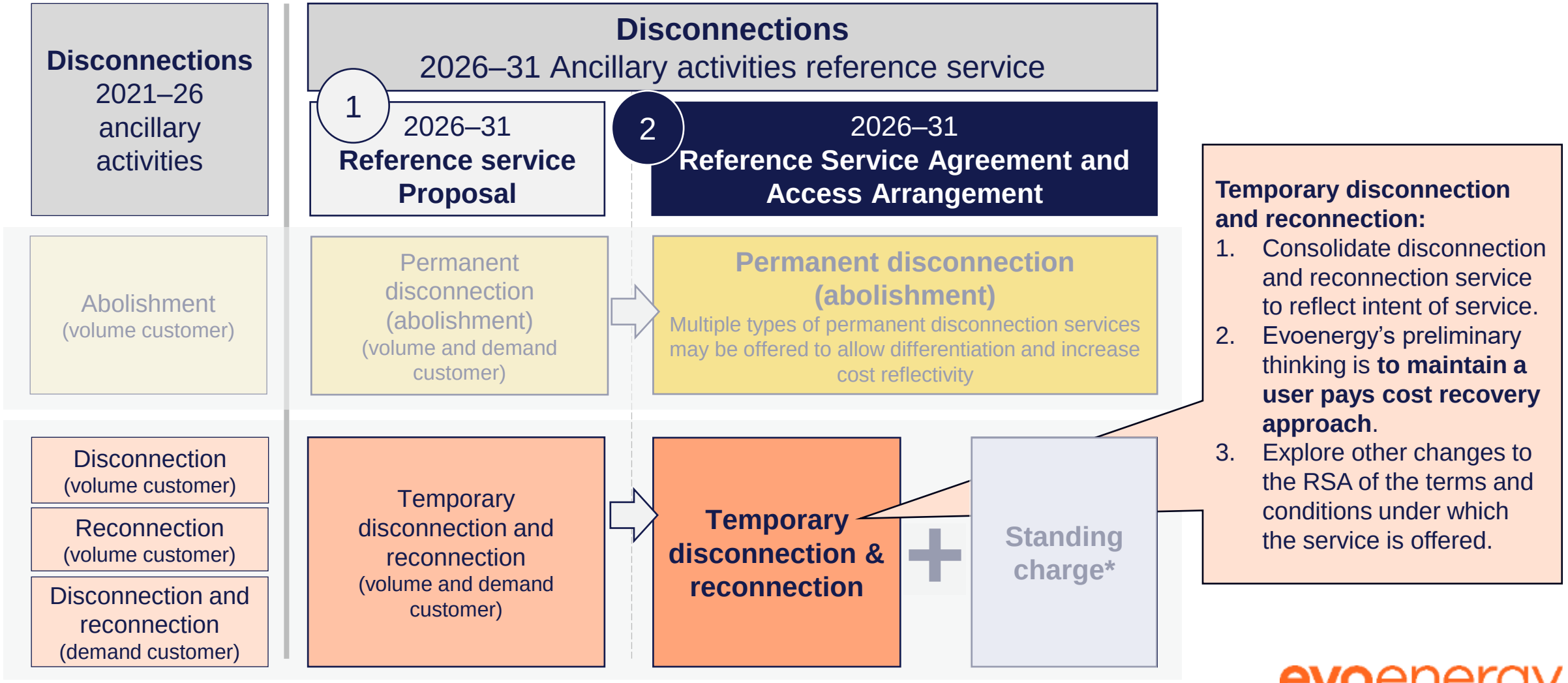
Disconnection services and cost recovery



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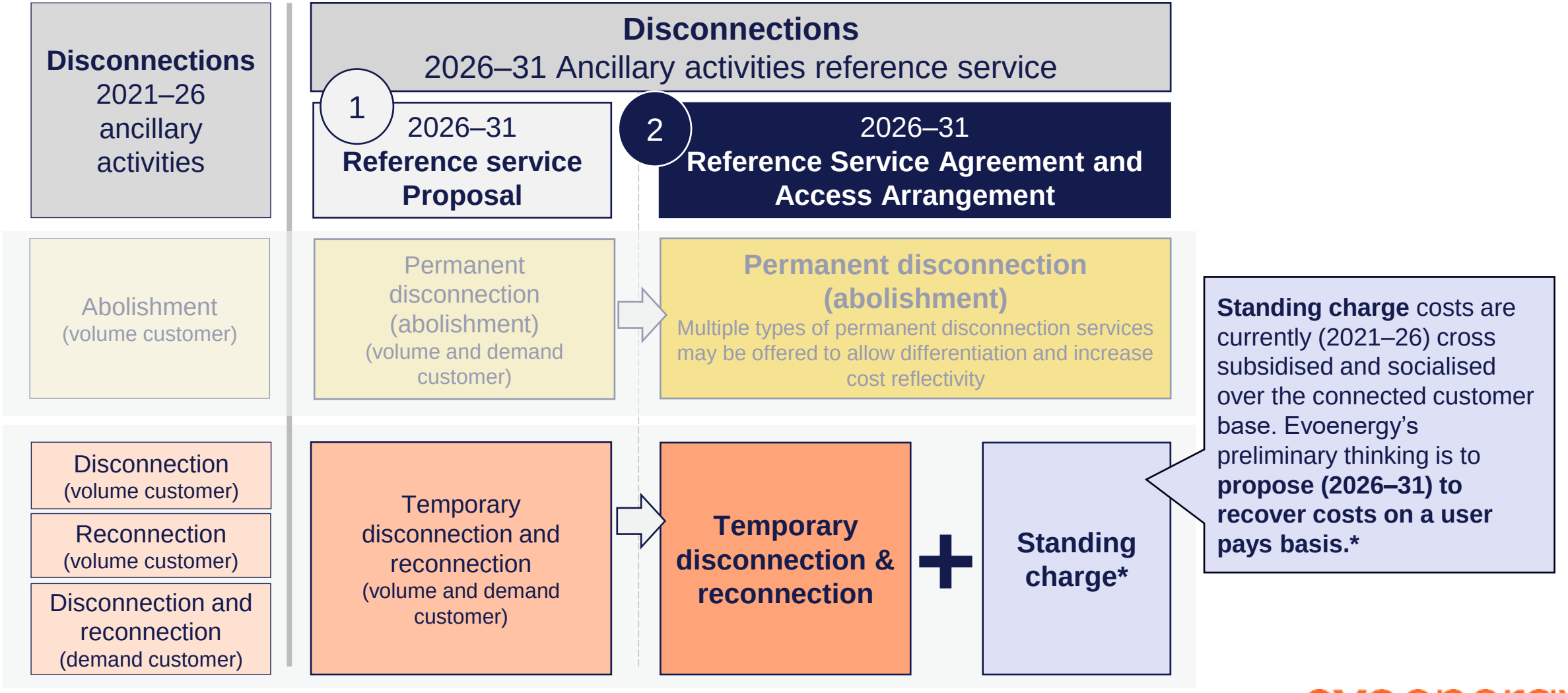
Disconnection services and cost recovery



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Existing and future temporarily disconnected customers

There is a growing cohort of temporarily disconnected MIRNs, presenting a safety risk as the chance of an excavation strike causing a gas main leak increases over time.

Ongoing network costs associated with temporarily disconnected MIRNs include for maintenance, meter reads, and emergency response services.

Premises with a **temporarily disconnected MIRN receive a service but pay no fee, creating a free riding problem, with costs cross subsidised and socialised over the connected customer base** who will bear the brunt of socialised accelerated depreciation cost recovery.

Evoenergy seeks to facilitate an equitable energy transition

1	**Access Arrangement** changes, such as: • Offering differentiated permanent disconnection services to improve cost reflectivity and increasing affordability based on customer circumstances/segments • Reintroduce the standing charge to premises with temporarily disconnected MIRNs*
2	**RSP amendments**, such as: • Terms and conditions for temporary disconnection services*
3	**Regulatory advocacy**, such as: • Mandating permanent disconnections where appropriate to ensure public safety
4	**Stakeholder engagement and education**, including: • Launching a safety campaign to inform the community on safety • Engaging with retailers

*Evoenergy's preliminary position is subject to additional analysis, practical feasibility and implementation issues, ALARP outcomes, and stakeholder engagement.

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Example of information and questions to be presented to consumers, representing preliminary modelling, subject to change.

Cost recovery approaches – bill impacts

Current approach (2021–26)

Remaining customer base pays permanent disconnection costs for other customers exiting the gas network.

Individual permanently disconnecting pays % of costs	**100%** User pays	**75%** Partial socialisation and cross subsidisation	**50%** Partial socialisation and cross subsidisation	**25%** Partial socialisation and cross subsidisation	**0%** Full socialisation and cross subsidisation
Remaining customer bill impact	**$0** Annual average additional costs for remaining customers	**$9** Annual average additional costs for remaining customers	**$17** Annual average additional costs for remaining customers	**$26** Annual average additional costs for remaining customers	**$34** Annual average additional costs for remaining customers

Notes and assumptions:

- Bill impacts are *indicative* for a typical residential customer consuming 30GJ per annum, presented in $2025/26.
- Bill impacts are *incremental*. Therefore, any other cumulative costs associated with transitioning should also be added (e.g., appliance switching costs for customers permanently disconnecting, or socialised accelerated depreciation costs for customers remaining on the gas network in the absence of exit fees).

Questions:

1. Do you think that customers remaining on the gas network should pay additional costs to cross-subsidise those customers who are exiting the network (who will not make any further contribution to the recovery of network costs)?
2. What are the equity and fairness considerations for the different cost recovery approaches?
3. What impacts do the approaches have on those remaining and those leaving the network, as well as Evoenergy?
4. Are there other approaches Evoenergy could consider?

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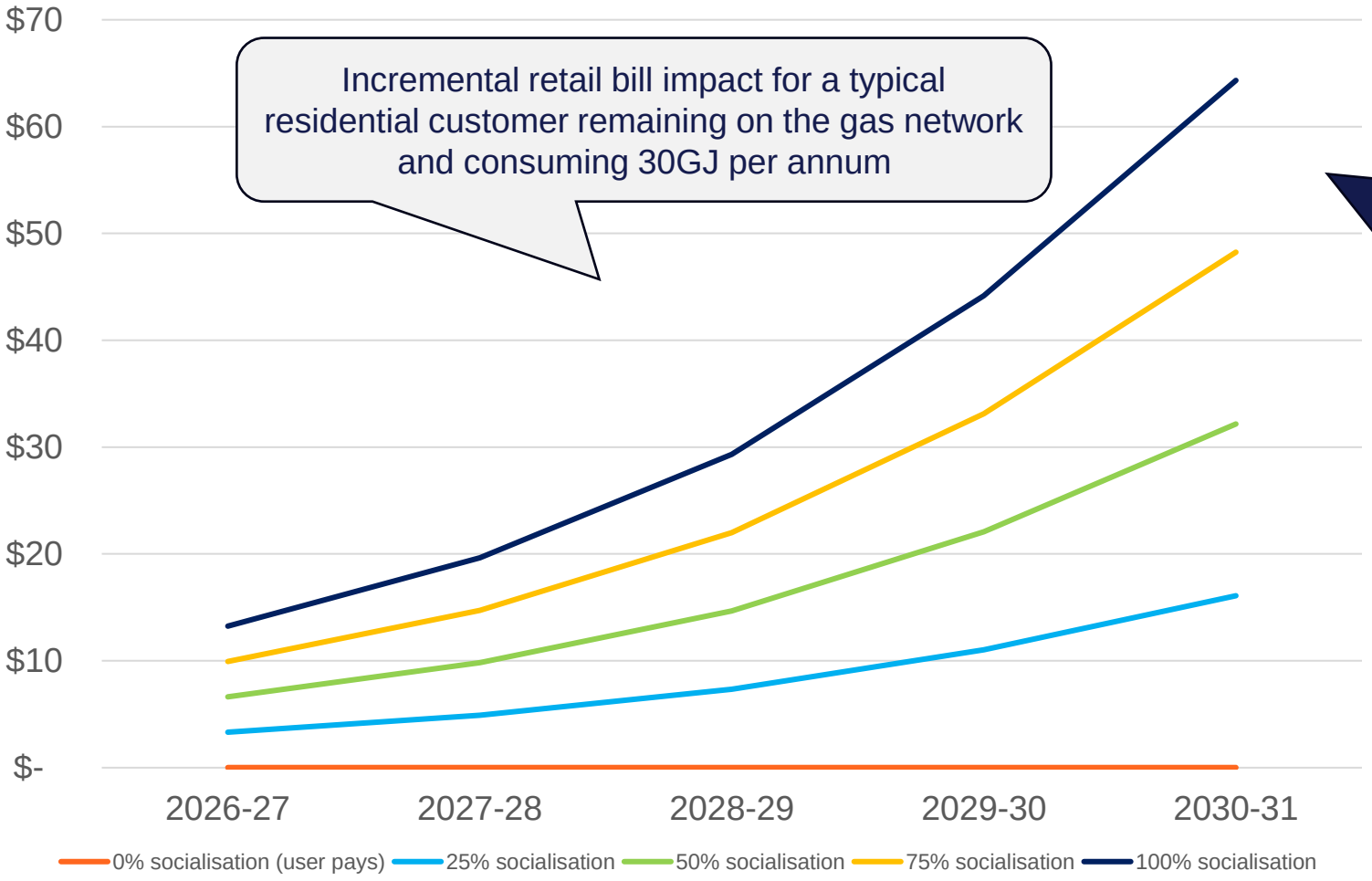
Cost recovery approaches

Permanent disconnection bill impacts



With a cross-subsidisation and socialisation cost recovery approach for permanent disconnections, the **bill impact will continue to increase** over time as customers exit the gas network.

Notes and assumptions:

- Bill impacts are *indicative* for a typical residential customer consuming 30GJ per annum, presented in $2025/26.
- Bill impacts are *incremental*. Therefore, any other cumulative costs associated with transitioning should also be added (e.g., appliance switching costs for customers permanently disconnecting, or socialised accelerated depreciation costs for customers remaining on the gas network in the absence of exit fees).
- Based on 2024-25 AER-approved abolishment costs, and the moderate demand scenario.

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Meeting outcome #5: Discuss and explore options for an energy transition customer support opex step change and associated costs and benefits

7. Managing equity and fairness: customer support step change

Alexis Hardin – A/g Group Manager Regulatory Pricing and Finance (20mins)

Considerations for ERAP: customer support step change

1. Do you see value in investigating a step change in expenditure for providing customer support on the energy transition?
2. If so:
    - Do you agree with the proposal to obtain feedback on the proposed step change through community engagement
    - Do you have any views on the priority areas for funding?

Note: We are currently developing our initial expenditure forecasts. Aiming to share these with ERAP at the September 2024 meeting. We are seeking to minimise expenditure forecasts, while maintaining a safe and reliable network.

Consideration of opex step change to support customers

Recently, gas businesses (all Victorian distributors and JGN) have included a step change in their proposals to assist vulnerable customers

	JGN	AusNet	AGN	MGN
Regulatory decision	2025-30	2023-28	2023-28	2023-28
Stage	Draft plan	Final decision	Final decision	Final decision
Program name	Support for vulnerable customers	Priority service program		
Cost ($million)	2.7	4.4	4.5	4.4
% of total opex	0.21%	1.31%	0.90%	1.02%
Proposed program *(The program for AusNet, AGN and MGN has variations between them)*	- Support customers to understand their bills - Increase involvement of 3rd party community support - Collaborate on new design initiatives with customer and community groups to support vulnerable customer groups	- Establish a dedicated customer support team of 2 FTE (senior and mid-level) to manage, develop and implement the program and new services. - Create priority register for online customer sign-ups, referrals to 3rd party providers and check-ins during outages to access additional support services (accommodation, temp. heating and cooking facilities). - Enable customers to read their own meters. - Improve communication with customers by making key information available in multiple languages. - Support free safety checks and emergency repairs for gas appliances. - Additional training for front line staff to engage with empathy and sensitivity, referring priority service customers to other programs.		

Step change for customer support

- We propose seeking views from our community forum on:
  - Whether they would be supportive of Evoenergy proposing opex to fund additional activities
  - What types of programs would be most valuable to the community
- Examples could include:
  - awareness program around safety considerations for temporary vs permanent disconnections
  - information program around Evoenergy's role in the transition and how this will impact ACT consumers
  - customer-specific information for those who are likely to find it more difficult to transition
  - Funding for local not-for-profit organisations to support vulnerable customers through the energy transition
  - Funding for Evoenergy-led programs to support vulnerable customers
- As a guide, these types of programs would require funding of approximately $250 - $500k per year (approx. 0.6 – 1.2% of total opex) for the GN26 period
  - Indicative bill impact of $2 - $5 per customer per year
- We are seeking your views today on:
  - the value of progressing this step change to the community engagement stage
  - priority areas for funding

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Meeting outcome #6: ERAP to provide ideas on options for recovery of gas network costs including capital asset base, decommissioning and ongoing network costs (e.g. government taxes and levies) beyond the regulatory framework

8. Options for long term cost recovery beyond the current regulatory framework

Gillian Symmans – Group Manager Regulatory Reviews and Policy (30mins)

Long term asset cost recovery options

Scope issued to support Evoenergy's considerations

Identify and **assess** potential future cost recovery options beyond the regulatory framework for consideration against a set of principles (to be developed) and having regard to factors including but not limited to:

NGO, NEO (including emissions objectives)	Evoenergy's ownership structure
Economic, including interactions with economic regulatory framework	Social, including equity considerations
Relative impacts on customer gas and electricity bills	Political, including consistency with policy
Temporal considerations	Commercial considerations
Effectiveness in achieving ACTG emissions reduction targets	Precedent for future industry structures

Discussion:

- **Are there other factors we should consider?**
- **ERAP ideas for recovery of gas network costs including capital asset base, decommissioning and ongoing network costs (e.g. government taxes and levies) beyond the regulatory framework.**

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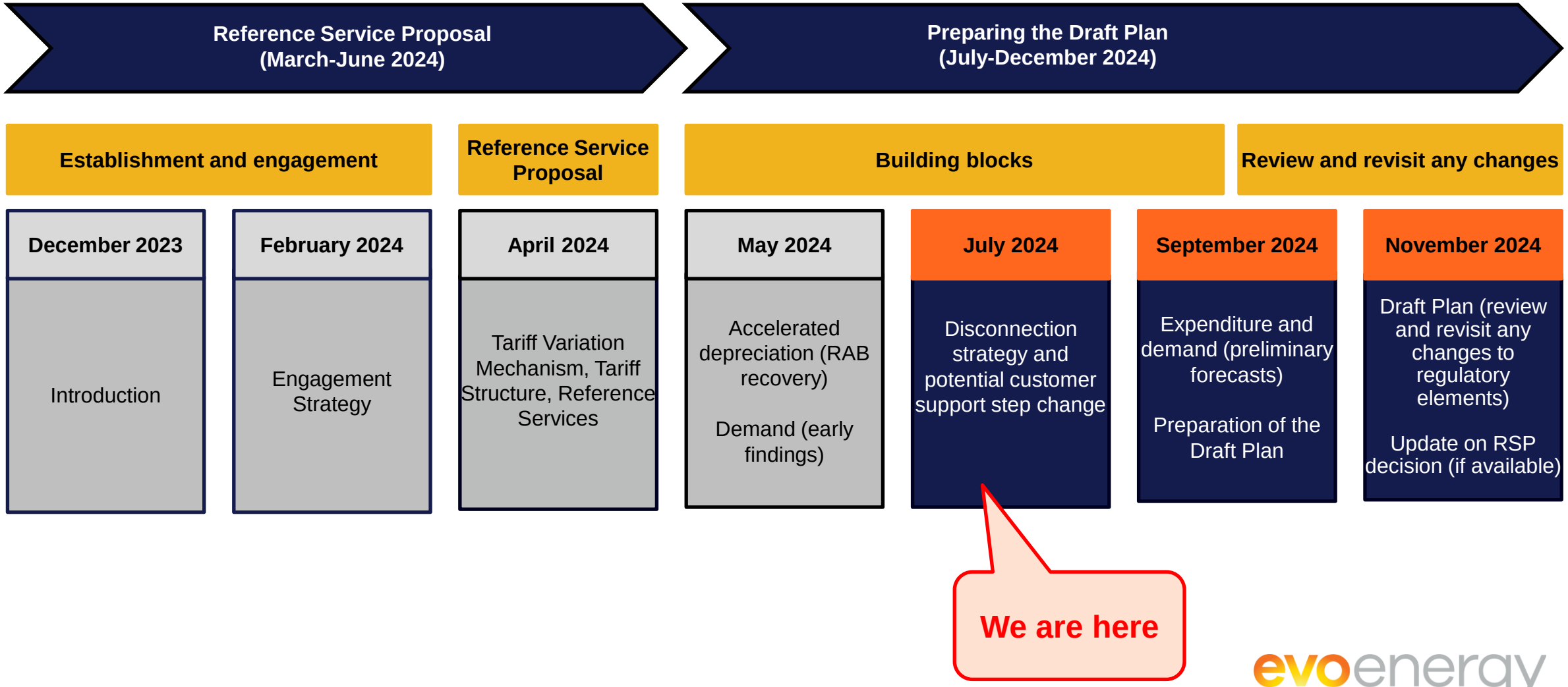
9. Other business

Meeting close ~4.30pm

Appendices

ERAP Workplan: overview to December



ERAP Workplan (July 2024)				
Meeting	**Meeting 5 15 July**	**Meeting 6 24 September**	**Meeting 7 11 November (placeholder)**	**Meeting 8 end March 2025 (TBC)**
Items for discussion ***Consider, challenge and guide***	Consider, challenge, guide: • Managing equity and fairness: disconnections and customer support step change ERAP reflections: • IEP implications for GN26 • Evoenergy's preliminary RSP submission • Outcomes from recent engagement Evoenergy share (ERAP provide ideas): • Update on RFQ – options for recovery of gas network costs beyond the current regulatory framework	Consider, challenge, guide: • Demand (preliminary forecasts) • Expenditure (preliminary forecasts) • Preparation of the Draft Plan and review of regulatory elements Evoenergy share: • Feedback from other engagement	Evoenergy share: • Draft Plan (review and revisit any changes to elements) • Update on RSP decision (if available)	Consider, challenge, guide: • Review approaches for AA proposal Evoenergy share: • Feedback on Draft Plan
Other meetings / notable events	• ECRC 2/7: Managing equity and fairness (capital base recovery) • CF speaker series sessions: 3, 17 & 24/7 (IEP, vulnerable customers, energy transition and ACT landscape) • CF4 27/7: Managing equity and fairness: capital base recovery • CF5 1/8: Managing equity and fairness: capital base recovery revisit and customer support step change • CF6 15/8: Disconnections approach • ECRC 15/8: Disconnections approach	• ACT Elections: 19/10 • ECRC: 24/10 Draft Plan update (TBC)	• CF7 14/11: Draft Plan discussion • ECRC 10/12 Draft Plan discussion • Evoenergy release Draft Plan Dec 24-Feb 25 (TBC)	• CF 8: feedback on Draft Plan (TBC) • Consultation on Draft Plan closes end February (TBC)