

evoenergy

# Engagement Strategy

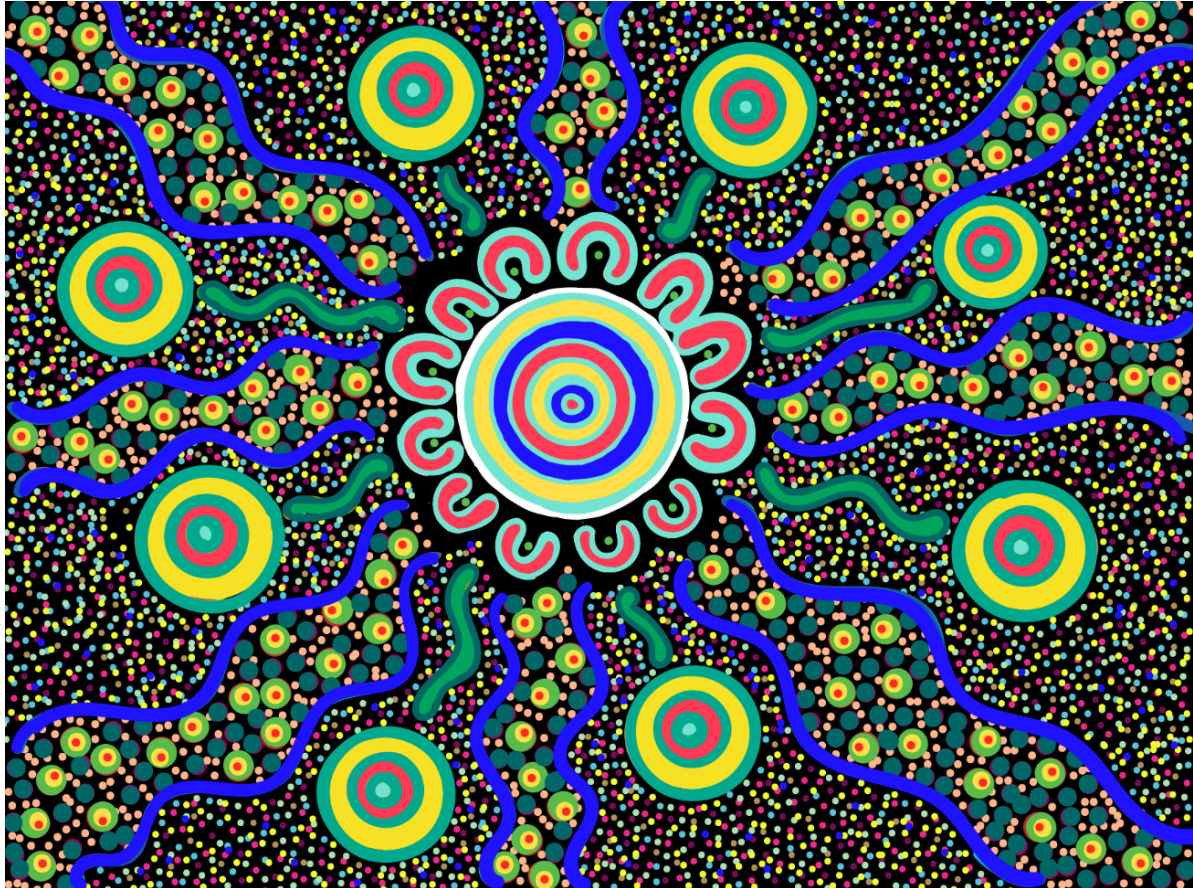
For our gas network 2026–2031 access  
arrangement regulatory proposal

March 2024

*Updated November 2024*

## Acknowledgment 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.



*Featured artwork: The Energy of Connection by Shaenice Allan*

*Shaenice Allan is a Ngunnawal, Bundjalung and Kamilaroi artist. She has been painting for 15 years, telling the stories that are told to her. Shaenice's paintings represent and connect to the Land of her peoples. The stories are an important part of Shaenice's art. They describe the many stories, the many pathways, and the many lines that connect her to Mother Earth.*

# Contents

Acknowledgment of Country .....	2
Our engagement strategy.....	4
Future decisions start now.....	7
How we developed our engagement strategy.....	10
Stakeholder voices .....	14
Engagement narrative and topics.....	18
Engagement approach .....	23
Reporting and evaluation .....	27
Have your say.....	29

# Our engagement strategy

## About us

Evoenergy delivers safe and reliable gas to over 150,000 customers in the Australian Capital Territory (ACT) and Queanbeyan-Palerang (New South Wales (NSW)). We own and operate over 4,563 kilometres of gas mains. Around 90% of our gas network users are located in the ACT.

## We are a regulated business

Every five years, Evoenergy is required to submit a regulatory proposal to the Australian Energy Regulator (AER) that details the proposed services, network investments, revenue and prices required to deliver gas distribution services for the next regulatory period (2026–2031 gas access arrangement<sup>1</sup>). The proposal is made up of a Reference Service Proposal<sup>2</sup> due to be submitted to the AER by 30 June 2024, and a five-year plan due to be submitted to the AER by 30 June 2025. The AER expects Evoenergy to engage extensively in developing these proposals to ensure that our decisions are in the long-term interests of our customers. This means we will consider the impacts on all our customers, including the potential differences in the impacts on our ACT and NSW customers.

### Evoenergy's 2026–2031 access arrangement review regulatory timeline

#### Evoenergy



#### Australian Energy Regulator

<sup>1</sup> Evoenergy's next forward investment plan for the gas network is for the period starting 1 July 2026 and is called an access arrangement.

<sup>2</sup> The Reference Service Proposal sets out proposed reference services for transportation and ancillary activities and other non-reference services. The AER expects gas network distribution businesses to engage with customers (AER to observe i.e. 'see evidence of') and address the form of control and tariff structure when submitting proposals.





## Future of gas

Australia's energy sector is entering a period of enormous change, and the ACT is leading the way. The ACT Government has set a clear direction for the transition away from gas toward electricity over the next 20 years to 2045. The transition has already commenced, with some gas customers progressively electrifying their homes and businesses. The ACT Government's [Integrated Energy Plan \(IEP\) \(2024–30\)](#)<sup>3</sup> sets the pathway for a phased customer exit from their gas service and subsequent decommissioning of the gas network. This includes a phase-in of a ban on new gas connections from December 2023.<sup>4</sup> While the NSW Government has not prevented new gas connections, it has set a target of net zero emissions by 2050.

This energy transition has never been done before. It brings with it a number of risks and challenges for Evoenergy and our customers that need to be effectively managed so we can continue to provide safe and reliable gas services.

## Why we are engaging

We are seeking input from consumers and other stakeholders to enable us to make informed decisions over the next five years and through to 2045. Through this engagement, we want to continue conversations, building on what we've heard, to better understand the values and long-term interests of our customers. Our engagement approach is more than a conversation on Evoenergy's five-year gas plan. It is a broader discussion on the energy transition and the future decommissioning of the gas network. We will be listening to the community's views on the appropriate sharing of the costs and risks for customers who leave the gas network and those who stay. We are mindful of the impact on those customers who may continue to require gas services because they do not have either the agency<sup>5</sup> or capability to move to electric energy in their homes or businesses.

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<sup>3</sup> ACT Government, 2024–30 The Integrated Energy Plan: our pathway to electrification, June 2024.

<sup>4</sup> <https://www.climatechoices.act.gov.au/policy-programs/>

<sup>5</sup> For the purposes of engagement, agency (human agency) refers to a person's capability to influence their own thoughts and actions thereby expressing their individual power.

**We will ask a range of important questions, including:**

- What will gas demand look like in future years?
- How should we best plan for the future decommissioning of the gas network over the next five years, and through to 2045?

As our conversation involves more than just gas customers, we have defined consumers, customers and stakeholders for our engagement.

- **Consumers:** General energy consumers, including gas and electricity users. As the region transitions to full electrification, decisions affect all energy consumers.
- **Customers:** Gas customers are actively connected to the gas network and have a gas account through an energy retailer.
- **Stakeholders:** A party that has an interest in our gas network and our regulatory proposal.

## **Our engagement framework**

This document provides a framework for engaging Evoenergy's ACT and NSW customers and other stakeholders during the development of our Reference Service Proposal and five-year plan. It is designed to allow us to engage actively and meaningfully so that our decisions can be guided and informed by our community's views on a fair and equitable transition pathway that phases out gas in the ACT by 2045. This strategy reflects our ongoing and enduring engagement approach, which we believe fosters genuine two-way conversations with consumers and other stakeholders. These discussions lead to better outcomes in terms of sustainability, affordability, and the safety and reliability of our gas network.



## Future decisions start now

The ACT has set an ambitious timeline for its decarbonisation efforts compared to other Australian jurisdictions. Evoenergy's engagement will contribute to community discussion as the ACT's residents progress towards this goal. The number of new gas connections has been trending downwards since the ACT's pathway to electrification was announced in August 2022. Evoenergy experienced its fastest disconnection rate in June 2023, suggesting that gas disconnection may be accelerating while the future usage rate is still uncertain.

Transitioning customers from gas to electricity involves more than just disconnecting their service. It requires consideration of their existing investments in gas appliances for heating, hot water and cooking. Converting these systems to electric alternatives represents a considerable change that will need both time and financial investment. For Evoenergy, planning for the future decommissioning of gas infrastructure is a complex and long-term task that hinges on forecasting future gas usage.

There are significant cost implications for the energy transition, including deciding how we fairly and equitably recover the costs of individual gas abolishment<sup>6</sup>, network-wide decommissioning and recovering the asset costs of a shared network that was expected to last another 50+ years. The decisions made in the 2026–2031 regulatory period will have price implications for consumers and other stakeholders from 2026 out to 2045.



<sup>6</sup> Abolishment involves the permanent disconnection of a gas connection and the removal of active gas equipment. This is considered the safest option as it removes all risks associated with having a pressurised gas pipe, including the risk of gas leaks and excavation strikes.

## Policy context

A range of policy considerations have implications for our Reference Service Proposal and five-year plan. Through our engagement, we will seek to use tools and approaches that support informed contributions to topics shaped by our regulatory and policy contexts.

### National Gas Objective

The National Gas Objective (NGO) is established to:

*'promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of natural gas with respect to:*

- a. *price, quality, safety, reliability and security of supply of natural gas; and*
- b. *the achievement of targets set by a participating jurisdiction —*
  - i. *for reducing Australia's greenhouse gas emissions; or*
  - ii. *that are likely to contribute to reducing Australia's greenhouse gas emissions.*<sup>7</sup>

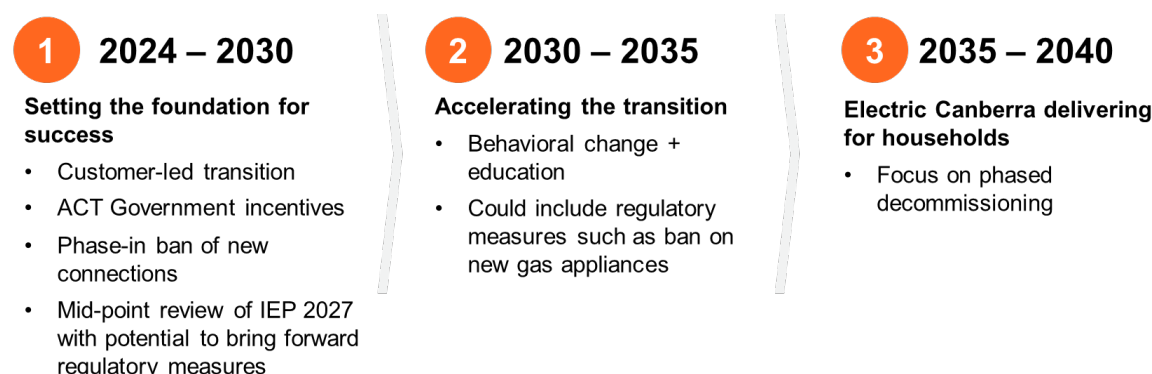
For Evoenergy, the relevant emissions targets include:

- The ACT Government's net zero by 2045 (supported by the [IEP](#) and [Zero Emissions Vehicle Strategy](#))
- [ACT Climate Change Strategy 2019–25](#)
- [NSW Government's Net Zero Plan](#)
- Commonwealth targets ([Net Zero by 2050](#), the [Renewable Energy Target](#) and the [National Energy Productivity Target](#))
- the yet-to-be-announced Ministerial decision on the value of emissions reduction.

### ACT energy transition

The ACT Government's commitment to net zero emissions by 2045 and incentives for electrification and transition away from gas are already leading to a decline in the volume of gas usage and number of customers. The ACT Government's [IEP](#) includes the following phases, which will impact the coming (2026–2031) and future regulatory periods.

#### ACT Government's IEP stages



<sup>7</sup> <https://www.aemc.gov.au/regulation/neo>



A range of ACT Government incentives and programs exist as part of progressing the energy transition. The impact these programs will have on the rate of transition is uncertain. There is also uncertainty around electrification incentives over the five-year regulatory period. These include, but are not limited to:

- Large-scale feed-in tariffs
- Energy Efficiency Improvement Scheme
- Sustainable Household Scheme
- Small and Medium feed-in tariffs
- Solar for Apartments Program
- Residential Strata Electric Vehicle Ready Pilot Study
- Energy Bill Relief Fund.

### **NSW energy transition**

The *Climate Change (Net Zero Future) Act 2023* (NSW) legislates the NSW Government's approach to addressing climate change and action to deliver net zero by 2050. In its Future of Gas Statement 2024, the NSW Government states that as part of the energy transition, gas from a mix of sources plays a role in supporting access to energy and business growth within NSW.<sup>8</sup>



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<sup>8</sup> <https://www.nsw.gov.au/sites/default/files/2021-07/Future%20of%20Gas%20Statement.pdf>

## How we developed our engagement strategy

The independent advisory forum, the Energy Regulatory Advisory Panel (ERAP) was established in December 2023 and concluded in October 2024. The ERAP was tasked with challenging us in our thinking and providing advice on key regulatory issues that promote the long-term interests of gas customers. The ERAP provided guidance by helping us to ask the right questions and challenged our thinking to ensure we considered all options.

This engagement strategy was developed with the valuable input of the ERAP, over two sessions focussed on the engagement narrative, key messages, engagement topics and questions and scenarios to support engagement with consumers and other stakeholders.

Our early discussions highlighted the importance of Evoenergy starting community conversations on not only issues and challenges for this regulatory period, but also considering the longer-term challenges of the energy transition. This approach aligns with our goal for engagement to be ongoing and meaningful, rather than just aligned to regulatory periods and reviews. Our engagement strategy acknowledges this position and incorporates scenarios and a staged approach to engagement. Our approach is to ensure a principled and informed approach to engaging consumers and other stakeholders on topics related to this regulatory period as well as broader regulatory and gas network considerations over the long term.

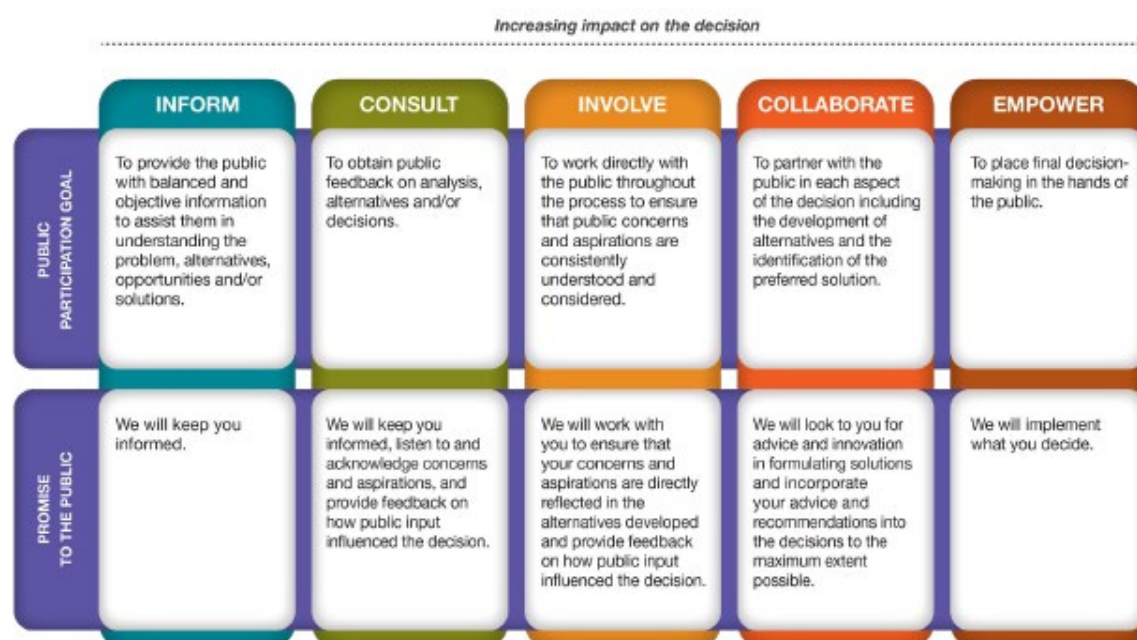


*ERAP members working with us to develop the key messages for our engagement.*

## IAP2 Spectrum of Public Participation and Core Values

We have used the IAP2 Spectrum of Public Participation to guide the design of our engagement approaches. We aim to attain the 'involve' level of IAP2 participation for all consumer and stakeholder segments.

### IAP2 Spectrum of Public Participation



In planning and delivering our GN26 engagement program, we will be guided by the IAP2 Core Values for Public Participation.

### IAP2 Core Values

- 1 Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
- 2 Public participation includes the promise that the public's contribution will influence the decision.
- 3 Public participation promotes sustainable decisions by recognising and communicating the needs and interests of all participants, including decision-makers.
- 4 Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
- 5 Public participation seeks input from participants in designing how they participate.
- 6 Public participation provides participants with the information they need to participate in a meaningful way.
- 7 Public participation communicates to participants how their input affected the decision.

## AER Better Resets Handbook

The [Better Resets Handbook](#) outlines the AER's expectations on engagement. We have used these expectations as a guide in developing our engagement approaches. We also consider lessons learnt from previous regulatory processes and engagement work and reflect the unique characteristics of Evoenergy's network and gas customers.

## Evoenergy's Stakeholder Engagement Strategy 2023

This strategy is informed by the engagement goals and objectives in Evoenergy's overarching [Stakeholder Engagement Strategy](#).

Stakeholder Engagement Strategy Goal	Achieving the goal through this strategy
Build on existing engagement business as usual tools by sharing stories and listening to stakeholders.	<ul style="list-style-type: none"><li>• Engagement based on Evoenergy engagement principles.</li><li>• Customer-centric and informed engagement.</li><li>• Leverage existing feedback/ engagement activities and channels.</li><li>• Ongoing engagement beyond specific topics related to the regulatory period.</li><li>• Create a platform for conversations that will extend beyond this regulatory period and consider the long-term customer impacts of the phasing of gas in the ACT on both ACT and NSW customers.</li></ul>
Focus on our customers' and stakeholders' changing needs through regular and targeted engagement.	<ul style="list-style-type: none"><li>• Acknowledging varying voices and understanding of the regulatory environment.</li><li>• Engage diverse consumers, recognising some of the unique aspects of this network.</li><li>• Accessible and easy-to-understand content.</li><li>• Energy transition scenarios used to identify different customer impacts.</li></ul>
Facilitate meaningful input from consumers and other stakeholders that is used to inform business planning and direction.	<ul style="list-style-type: none"><li>• Energy transition scenarios are used to involve stakeholders in decision-making and understanding the challenges and outcomes of regulatory decisions.</li><li>• Engagement activities and tools to actively seek two-way discussion and feedback.</li><li>• Align engagement to the IAP2 Spectrum of Public Participation and <a href="#">Better Resets Handbook</a>.</li><li>• Phased approach to engagement to ensure touch points for feedback and check-ins.</li><li>• Dedicated feedback loop for all engagement activities.</li></ul>



Evoenergy's Stakeholder Engagement Strategy and the IAP2 Spectrum of Public Participation have informed our engagement objectives.

Objective 1	Objective 2	Objective 3	Objective 4
<p>Inform stakeholder engagement for Evoenergy's future gas plan:</p> <p>Gather diverse consumer and other stakeholder input to enhance connection and inform the gas plan development.</p>	<p>Engage the community on the future of the gas network:</p> <p>Conduct transparent consultations with residential and business consumers, industry, and government.</p> <p>Balance competing outcomes and manage equity issues in these discussions.</p>	<p>Foster discussions on energy transition and gas network decommissioning:</p> <p>Promote community and stakeholder conversations on the energy transition and its customer impacts.</p>	<p>Ensure transparency and accessibility in feedback:</p> <p>Provide genuine two-way communication channels for stakeholders to see how their feedback influences the proposal.</p>

## Principle-based engagement

Evoenergy's principles-based engagement is a key component of meeting our goals and objectives. These principles will guide the delivery of our engagement program and be used to monitor and review the implementation of this strategy, as outlined in the Reporting and Evaluation section of this document.

Engagement principle	What this means to us	What it signifies to our stakeholders
<b>Adaptive</b>	<ul style="list-style-type: none"> <li>Tailored approaches (not one-size-fits-all).</li> <li>Evolving alongside the changing energy landscape.</li> </ul>	<ul style="list-style-type: none"> <li>Flexible engagement and communication to meet stakeholder needs.</li> <li>Engagement on your terms.</li> </ul>
<b>Curious</b>	<ul style="list-style-type: none"> <li>Enthusiasm for learning and exploring new ideas.</li> <li>Embracing diverse perspectives.</li> </ul>	<ul style="list-style-type: none"> <li>Your voice will be listened to and valued.</li> <li>Inclusive engagement practices.</li> </ul>
<b>Courageous</b>	<ul style="list-style-type: none"> <li>Evaluating and enhancing our engagement practices.</li> <li>Initiating bold conversations and seeking input.</li> </ul>	<ul style="list-style-type: none"> <li>You can hold us accountable.</li> <li>We will actively seek your feedback.</li> </ul>
<b>Transparent</b>	<ul style="list-style-type: none"> <li>Providing clear, precise, relevant and timely information.</li> <li>Openness around the purpose, scope and outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>We will use plain language to help you make informed contributions.</li> <li>You will be able to read reports on our engagement activities, and their impact, on our website.</li> </ul>
<b>Committed</b>	<ul style="list-style-type: none"> <li>Allocating time and resources for engagement.</li> <li>Acting with integrity – doing what we say we'll do.</li> </ul>	<ul style="list-style-type: none"> <li>Our commitment is long-term – our engagement is ongoing.</li> <li>We will explain how your inputs influence our work and your experiences.</li> </ul>

# Stakeholder voices

Identifying our stakeholders and understanding their diverse needs and interests is an important step in determining how we engage with them and genuinely hear their voices. While we hear from some of them regularly, there are others that we need to have a relationship with due to factors like economic, social, resource and structural barriers, and their changing or emerging role and relationship to the gas network.

We classify non-residential customers not only by their gas usage size but also by considering their business type and industry. This allows for a better understanding of their needs, challenges and perspectives. Engaging with businesses based on their similar characteristics will also foster more targeted and effective discussions.

Stakeholders		Why we need to engage
<b>Customers</b>		
<b>Residential customers</b>  Less than 100GJ per year	Evoenergy supplies gas to over 150,000 customers. Residential customers are diverse, including individuals and families in owned and rented properties, representative community groups, community councils and resident groups, and some small businesses.	<ul style="list-style-type: none"> <li>Customers are directly impacted by decisions for the next regulatory period and into the future.</li> <li>Provide a customer and household view.</li> <li>Ensure both an ACT and NSW perspective.</li> </ul>
<b>Commercial customers</b>  100GJ to 1TJ per year	There are approximately 3,300 customers consuming between 100GJ and 1TJ per year. These customers include the service industry (restaurants, shops, banking, and retail), schools, some hotels and office buildings.	<ul style="list-style-type: none"> <li>These customers have a different viewpoint than larger businesses or residential customers.</li> <li>Gain business perspectives on energy transition and regulatory considerations.</li> </ul>
<b>Large customers</b>  1TJ to <10TJ per year	Large customers represent a range of businesses including commercial business owners or critical customers that access large amounts of energy and may have special infrastructure to support their needs. These include hospitals, large government departments, data centres, universities and land or property developers.	<ul style="list-style-type: none"> <li>These customers will have specific views on tariff prices, the connection process and network reliability.</li> <li>Gain business perspectives on energy transition and regulatory considerations.</li> </ul>
<b>Communities</b>		
<b>First Nations peoples</b>	First Nations peoples from across the region. At least 1.3% of the population as per 2021 Census data.	<ul style="list-style-type: none"> <li><i>We will consider opportunities to ensure the unique experiences and potential impacts of hard to reach and</i></li> </ul>

Stakeholders		Why we need to engage
CALD	<p>Our community is diverse and includes people from a range of cultural backgrounds.</p> <p>This includes people who may speak other languages besides English and follow different religions, traditions, values and beliefs. 27.1% of households in the ACT speak a language other than English.<sup>9</sup></p>	<i>vulnerable stakeholders are represented. Our engagement activities, including community forums, are structured to incorporate the perspectives of First Nations peoples, culturally and linguistically diverse (CALD) communities, vulnerable communities, and young people. This approach takes into account accessibility, awareness, and engagement barriers, facilitating diverse input that supports inclusive and equitable decision-making.</i>
Hard to reach groups and vulnerable	<p><b>Hard-to-reach</b> stakeholders are individuals or groups within the community who present challenges in communicating with and actively involving them in engagement. This can be due to accessibility, awareness, or engagement barriers such as language or technology.</p> <p>The term <b>‘vulnerable’</b> is broad. It may refer to someone with low education or literacy levels, it may be a person with a disability, or someone experiencing financial hardship. It may apply to someone who has experienced domestic violence or is socially isolated, or someone who relies on a continuous energy supply for health, quality of life or survival. People can move in and out of vulnerability through various stages of their lives. In the context of this engagement strategy, there is also the consideration of temporal vulnerabilities.</p>	
Young people (emerging customers)	<p>As future energy customers, the voices and expectations of young people are essential in this dynamic environment.</p> <p>There are over 6,000 secondary college students enrolled in public colleges (years 11 and 12) in Canberra. During the 2026–2031 regulatory period, they will have graduated and likely be paying their own utility bills.<sup>10</sup></p>	
Industry		

<sup>9</sup> <https://www.abs.gov.au/census/find-census-data/quickstats/2021/CED802>

<sup>10</sup> [https://www.education.act.gov.au/\\_\\_data/assets/pdf\\_file/0004/1871230/Census-of-ACT-public-schools-August-2021.pdf](https://www.education.act.gov.au/__data/assets/pdf_file/0004/1871230/Census-of-ACT-public-schools-August-2021.pdf)

Stakeholders		Why we need to engage
<b>Retailers</b>	Retailers are the intermediaries between the network operators and the consumers. They are also facing a changing energy market and responding accordingly.	<ul style="list-style-type: none"> <li>• Gain specific views on tariff prices, the connection process and network reliability.</li> <li>• Play a key role in communicating with their customers.</li> <li>• Gain insights on issues like metering and new and emerging technology.</li> </ul>
<b>Industry bodies, representatives and emerging industry stakeholders</b>	<p>Represent business, industry interest groups and peak bodies.</p> <p>This includes specific energy or gas industry professionals involved in the installation, maintenance or development of the energy network, e.g. gas fitters, solar installers, etc.</p> <p>This group also includes emerging stakeholders in the renewable energy industry who may not have engaged previously or will emerge during the next five years.</p>	<ul style="list-style-type: none"> <li>• Gain industry perspectives on energy transition and regulatory considerations.</li> <li>• These groups have a diverse range of interests depending on their customer base detailed above.</li> <li>• These groups may contribute to consultations as subject matter experts.</li> </ul>
<b>Government agencies and regulators</b>		
<b>ACT Government</b>	The ACT Government has many interactions and interests.	<ul style="list-style-type: none"> <li>• Evoenergy and the ACT Government collaborate via the ACT Government Net Zero Initiative Group and targeted working groups on key issues associated with the energy transition in the ACT, which includes policy and technical government representatives.</li> <li>• There are also senior Executive bilateral meetings.</li> </ul>
<b>NSW state and local governments</b>	<p>Evoenergy's gas network reaches into NSW.</p> <p>The NSW Government sets policies and regulations for energy networks within its jurisdiction.</p>	<ul style="list-style-type: none"> <li>• Gain perspectives on NSW priorities related to the gas network, such as decarbonisation, affordability, and safety.</li> </ul>
<b>Commonwealth Government</b>	As part of Australia's broader national energy transition, the Federal Government.	<ul style="list-style-type: none"> <li>• Gain perspectives on federal priorities.</li> </ul>
<b>Technical Regulator</b>	Gas is defined as a regulated utility service under the Utilities Act (ACT) 2014.	<ul style="list-style-type: none"> <li>• Ensure engagement on regulatory considerations and requirements.</li> </ul>
<b>AER</b>	For this strategy, the AER is considered an end recipient and approval party. This includes the AER's Consumer Challenge Panel (CCP). Ensure ongoing involvement and discussion.	



## Stakeholder forums

Evoenergy has a number of forums to seek input and advice on matters that impact our gas customers:

- The **GN26 community forum** was established in May 2024 to help us better understand the values and long-term interests of our gas customers and make informed decisions over the next five years and beyond. Our forum participants represent a diverse mix of the ACT and Queanbeyan-Palerang communities.
- Established in 2014, the **ECRC** is made up of diverse stakeholder representatives including business, community and social services. It fosters strong relationships between Evoenergy and consumers, promoting open dialogue on key operational and strategic issues. The ECRC enables members to raise concerns, understand network service and pricing decisions, and stay informed on the ACT's 'Pathway to electrification', while providing Evoenergy with feedback to inform regulatory planning and consumer impact considerations.
- **Energy Matters Forums** are a series of discussions designed to engage Evoenergy's large energy customers. These forums provide an opportunity for Evoenergy to share information about our planning process and to open discussions around large customers' concerns and considerations.
- The **ERAP** was established in December 2023 and concluded in October 2024. The panel provided early advice and expertise to inform our approach to key regulatory issues facing Evoenergy over the next regulatory period. The panel was comprised of members with diverse interests and expertise and tasked with challenging Evoenergy to develop a proposal that meets the NGO and considers the long-term interests of consumers.

Evoenergy uses these forums, complemented by other engagement activities outlined below, to triangulate the values and sentiments of the ACT and Queanbeyan-Palerang community as they relate to the energy transition.



# Engagement narrative and topics

The approach to the engagement narrative and topics is based on the goals identified in our overarching [Stakeholder Engagement Strategy](#) and the need to be principle-based and customer-centric. It has been written in language appropriate for broad customer consumption, although this may need to be tailored for different audiences and engagement activities. The narrative will also be reviewed and refreshed as the engagement program progresses and feedback is received throughout engagement.

The narrative will be supported by educational information and scenario-based engagement materials to support ease of understanding and highlight the trade-offs associated with different approaches and options.

## Overarching narrative

- Customers of our gas network are gradually transitioning their homes and businesses to fully electric. A key driver of this shift in the ACT is government policy, with the ACT Government having legislated the ACT's commitment to achieve net zero gas emissions by 2045. The ACT Government's IEP outlines the intent to move homes, businesses and motor vehicles from the use of fossil fuels, such as gas and petrol, to electricity. The NSW Government is also committed to reducing greenhouse gas emissions, with a target of reaching net zero by 2050.
- This energy transition has never been done before. We are seeking the views of our customers and stakeholders to help us map and navigate a fair and equitable transition path. Through our engagement, we will make decisions that will impact the approach to the sharing of costs and customer prices in both the next five years and through 2045.
- We are listening to the community's views on the appropriate sharing of the costs and risks for customers who leave the gas network and those who stay. We are mindful of the impact on those consumers who may continue to require gas services because they do not have either the agency or capability to move to electric energy in their homes or businesses.

## Why we are engaging

- Over the first five years of the IEP (to 2030), the switch to electricity is expected to be customer-led, supported by government incentive schemes. After 2030, the transition is expected to be accelerated, potentially through more regulatory measures. Between 2035 and 2040, the ACT Government expects phased decommissioning of the network to have commenced.
- As the owner and operator of the ACT's energy networks, Evoenergy plays a significant role in managing the ACT's energy transition.
- We have many decisions to make that will impact both the next five years and through to 2045. There are options and trade-offs to be deliberated, and the uncertain environment presents risks and challenges to both customers and the network that needs to be considered. The transition needs to be safe and efficient, and we want to minimise impacts and costs for customers while allowing for the costs of the network to be recovered.
- One thing we do know is that the energy transition will impact all Evoenergy customers, and we want to foster good customer outcomes and enable more informed engagement in the process.
- One of the key challenges we face is that as gas customers switch to electricity, there will be fewer gas customers to pay for largely fixed network costs. If not effectively managed, this could result in those customers who find it more difficult to switch to paying much higher prices as a greater share of the costs falls on a smaller group of customers. This could have significant impacts on vulnerable and hard to transition customers, as well as the ability to recover network costs and fund the smooth decommissioning of the network.

- We need input from consumers and other stakeholders to help map out a fair and equitable transition path for the next five years and through to 2045.

### **This transition has never been done before**

- There are many things we don't know, such as how quickly our customers will switch to electricity. Will some households or businesses find it more difficult to transition than others?
- How do we continue to provide an affordable, safe and reliable service for customers until they make the switch?
- How do we manage the uncertainty surrounding demand in the next five years and through to 2045 and ensure efficient use of our network in the face of this uncertainty?
- How should we operate and maintain the network over the next five years and through to 2045 (e.g. how will we ensure efficient and targeted expenditure)?
- How do we protect vulnerable customers?
- What does this mean for our NSW customers in Queanbeyan-Palerang?
- How do we fairly and equitably recover the costs of individual customer abolishment and the decommissioning of the network?
- How do we fairly and equitably recover the cost of assets that we thought would last 50+ years and will soon be obsolete?
- How do we better integrate decision making across our gas and electricity customers?



## Engagement topics and key considerations

The table below identifies the core topics for discussion with stakeholders that will inform our proposal and set up longer-term conversations on the impacts of the energy transition and gas decommissioning over the next twenty years.

Topics	Key engagement considerations and questions	Purpose
Understanding customer values and introducing uncertainty (setting the context)		
<ul style="list-style-type: none"> <li>• The policy environment.</li> <li>• Possible future scenarios.</li> <li>• Customer switching costs and considerations.</li> <li>• Network costs and considerations.</li> <li>• What a declining and uncertain customer base means for customers and the network.</li> </ul>	<ul style="list-style-type: none"> <li>• What does the community value as the region phases out the use of gas?</li> <li>• What customer outcomes are expected? Which are non-negotiable?</li> <li>• How is the risk of uncertainty over gas demand best managed and shared?</li> <li>• How will customers approach the transition in terms of appliance-specific behaviours, and what impact will this have on demand?</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Inform</b> stakeholders to ensure they have the capacity to engage on the topics to come meaningfully.</li> <li>• <b>Understand</b> customer values and expected outcomes to lay the foundation for our discussion and options for our five-year plan.</li> </ul>
Managing uncertainty		
<ul style="list-style-type: none"> <li>• Future demand for gas, including the potential rate of decline, is important but uncertain and challenging.</li> <li>• Consideration of how risk is shared.</li> <li>• Options for how Evoenergy recovers revenue and what these mean for customers.</li> <li>• The role of tariffs in managing uncertainty for Evoenergy and customers and supporting the transition.</li> </ul>	<ul style="list-style-type: none"> <li>• In this uncertain environment, what impact will different revenue recovery mechanisms have on customer prices, network cost recovery and the pace of customers moving away from gas?</li> <li>• What impact will tariff structures<sup>11</sup> have on different types of customers?</li> <li>• What equity and fairness considerations do we need to take into account?</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Inform</b> stakeholders to ensure they have the capacity to engage on the topics meaningfully.</li> <li>• <b>Consult</b> on tariff variation mechanism options.<sup>12</sup></li> <li>• <b>Consult</b> on tariff structure options.</li> </ul>
Balancing equity and fairness in the recovery of network costs		
<ul style="list-style-type: none"> <li>• Considerations for recovering the costs of assets that have a long useful life.</li> <li>• Considerations for recovering costs to maintain a safe and reliable network, which are largely fixed.</li> </ul>	<ul style="list-style-type: none"> <li>• What is the appropriate approach to recovering the remaining costs of assets built before today that will no longer be used for their full life (past 2045)?</li> <li>• What is the appropriate approach to recover the costs still required to maintain a</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Inform</b> stakeholders to ensure they have the capacity to engage on the topics meaningfully.</li> <li>• <b>Consult</b> on reasonable costs and cost recovery options.</li> </ul>

<sup>11</sup> Tariff structures refer to the different ways Evoenergy recovers the costs of maintaining and operating the network from consumers.

<sup>12</sup> Tariff Variation Mechanism means the unit rate is variable.



Topics	Key engagement considerations and questions	Purpose
<ul style="list-style-type: none"> <li>Considerations for recovering costs to disconnect customers safely and remove customer connection assets from the network, as well as larger network assets.</li> </ul>	<p>safe and reliable network through the transition?</p> <ul style="list-style-type: none"> <li>Who should pay to recover these costs, and over what timeframe?</li> <li>How do we support customers who may find the transition difficult?</li> <li>What are the equity considerations for customers who stay on the network longer than others?</li> </ul>	



## Informed regulatory engagement messaging

As we are engaging with a wide range of customers and stakeholders, messaging will be aligned with the level of regulatory knowledge and awareness of the regulatory framework. Particular groups will join conversations with differing regulatory contexts and awareness, and engagement needs to ensure it fosters genuine and effective conversations. Representative forums such as the ERAP will have significant knowledge and awareness of the regulatory process. In contrast, consumers will have less regulatory knowledge and be most interested in the outcomes for customers. Yet, the regulatory process and what it means for them, or the general community is still an important context.

## Scenarios as an informed engagement tool

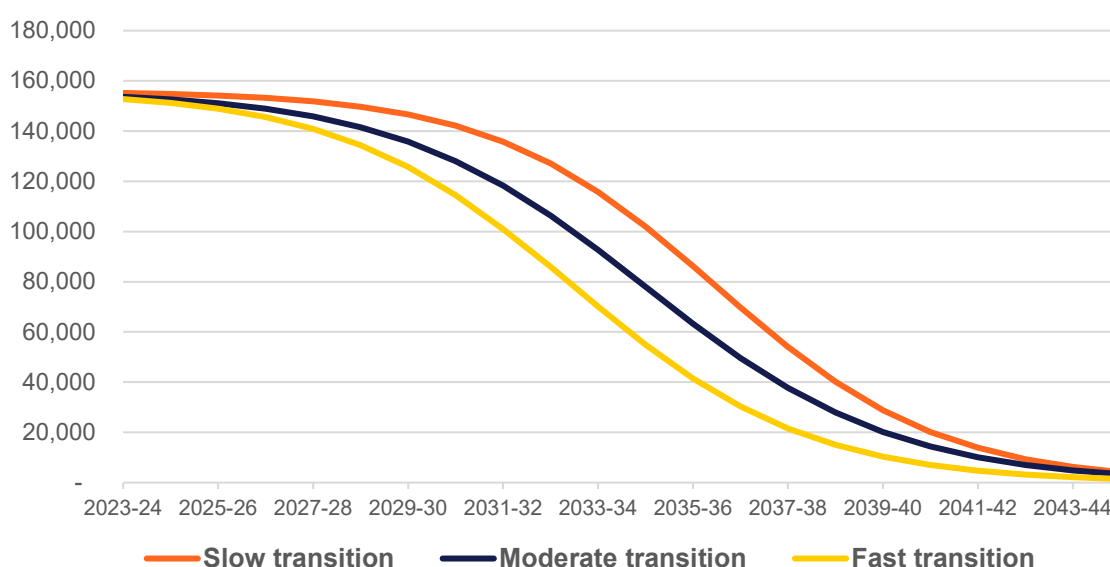
Scenarios are a common tool for understanding possible outcomes when faced with uncertainty. Three scenarios will be used to help stakeholder groups understand how decisions and assumptions regarding gas consumption made today could look in different futures. They will be a key tool across all engagement activities to help frame discussions around options and trade-offs in an uncertain energy future.

The scenarios consider three potential energy transition possibilities to 2045 and are based on the *measures of success* set out in the ACT Government's [IEP Position Paper](#), with additional assumptions relating to timing and the inclusion of our NSW gas customers.

For the purposes of most consumer and stakeholder engagement, including for the draft five-year plan, Evoenergy will use the moderate energy transition future scenario to illustrate the decline in consumption and customer numbers over the period.

Scenario 1	Scenario 2	Scenario 3
<b>Slow paced energy transition future</b>  The transition from gas to electricity broadly in line with recent trends to 2030, based on the ACT Government's IEP slowest customer-led transition forecast to 2030. In the slow energy transition scenario, it is assumed there is a transition period from 2030 ahead of the commencement of additional regulatory interventions starting in 2032 (e.g. bans on sale and installation of gas appliances, minimum standards for gas-free rental properties).	<b>Moderate (medium) energy transition future</b>  Disconnections and consumption fall in line with the ACT Government's IEP forecast mid-point consumer-led transition by 2030, with additional regulatory interventions commencing from 2030 (e.g. bans on sale and installation of gas appliances, minimum standards for gas-free rental properties).	<b>Fast paced energy transition future</b>  Disconnections and consumption fall in line with the ACT Government's IEP forecast fastest consumer-led transition by 2030, with additional regulatory interventions commencing from 2030 (e.g. bans on sale and installation of gas appliances, minimum standards for gas-free rental properties).

### Illustrative demand scenarios (for engagement) – customer numbers



## Engagement approach

A phased approach will be undertaken to engage consumers iteratively in the process of developing our Reference Service Proposal and our five-year plan. This will ensure the engagement program considers the perspectives of consumers and other stakeholders to inform the development of our proposal.

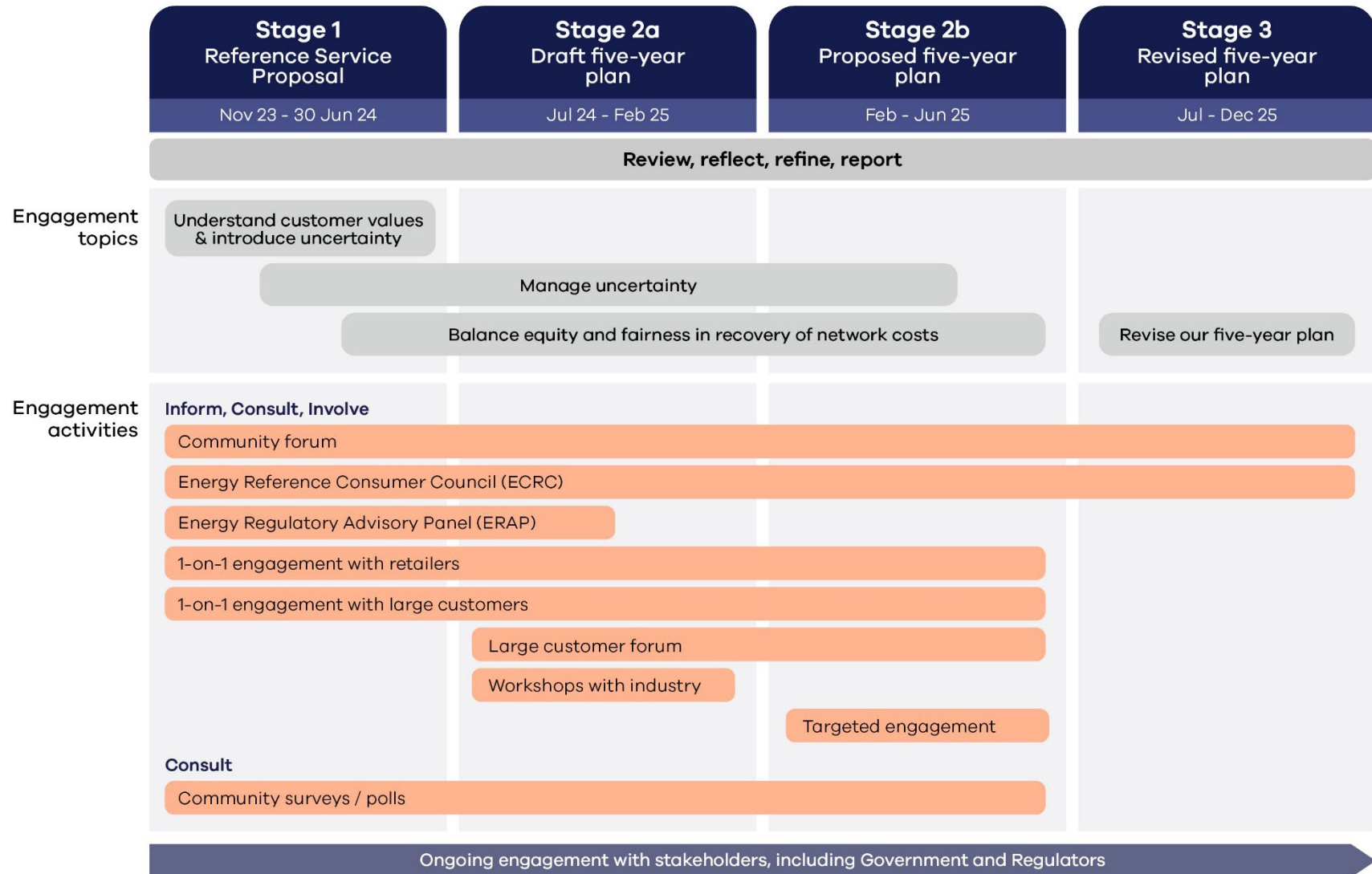
The engagement journey has three phases aligned with the regulatory review process. The first phase is focussed on early engagement on topics to set the context for future engagement and inform the development of preliminary positions for the Reference Service Proposal. The second phase focuses on engagement to inform our five-year plan, including the release of a draft five-year plan for public consultation. The third phase focuses on further engagement to inform our revised five-year plan.

This phased approach acknowledges that engagement for the Reference Service Proposal will require early capacity building in consumers due to the complexity of the subject matter. It also requires consideration of specific topics to ensure that the Reference Service Proposal reflects consumer insights.

This phased approach also ensures that we are able to re-test and re-group on what we hear across all phases and across different forums and activities, ensuring we have an active and two-way conversation with consumers and other stakeholders.



## Phased engagement





## Engagement activities, tools and channels

A range of activities and tools will be utilised to ensure all stakeholder groups have the opportunity to be heard. The activities and tools outlined in the table below provide a balance of deep-dive regulatory topic opportunities with targeted engagement and small group engagement to support stakeholders to be heard.

Activities and tools	
<b>Community forum</b>	To undertake deep dives into issues with representative members of our diverse community.
<b>ECRC</b>	A forum focused on the ACT's long-term electrification journey.
<b>Large customer forum</b>	To engage existing Evoenergy large customer forum.
<b>ERAP</b>	An expert regulatory advisory forum that focused on early engagement on regulatory elements of the proposal from December 2023 to October 2024.
<b>1-on-1 engagement</b>	Engagement with retailers and large customers.
<b>Targeted engagement</b>	Small group conversations (or workshops) to foster open dialogue and provide a supportive environment to discuss topics.
<b>Digital engagement</b>	Digital engagement channels and opportunities to ensure accessible options for stakeholders.
<b>Research</b>	Undertake quantitative research to gather data on consumer views and intentions.
<b>Ongoing engagement activities</b>	Existing stakeholder forums and opportunities (e.g., Master Builders Association, Master Plumbers Association) with stakeholders as outlined in the Evoenergy <a href="#">Stakeholder Engagement Strategy</a> .

## Engagement activities and tools matrix

The table below outlines the proposed engagement activities and tools and the stakeholder groups or sub-groups they will target. The activities and tools have been selected to use multiple methods to engage stakeholders. The matrix below clearly identifies sub-groups of stakeholder groups where engagement activities or tools may support engagement with this particular group.

Stakeholders	Channels						
	ERAP/CCP	ECRC	Community forum (deep dives)	Large customer forum	1:1 engagement	Targeted engagement	Other channels (e.g., research, website, social media, existing opportunities)
Residential		●	●				●
Commercial customers		●	●	●	●		●
Large customers		●		●	●		●
First Nations peoples, CALD, hard to reach groups and vulnerable, young people		●	●			●	●
Industry bodies or representatives / emerging industry		●			●	●	●
Retailers					●		●
Government and regulators					●		●
Long term view of the consumer	●						

# Reporting and evaluation

A key goal of this strategy is to gather consumer and other stakeholder input to inform our proposals. Reporting and monitoring engagement findings builds transparency about how engagement contributions have been collected and used and ensures that we identify themes and issues across the various engagement topics and processes.

This document is considered a 'living' document that is continually updated and reviewed as required. The performance monitoring targets and goals and the approach to monitoring outlined in this section will ensure that the document maintains its value and utility in achieving genuine engagement.

## Performance monitoring and evaluation

Based on the objectives of this strategy and aligned with the objectives, [Better Resets Handbook](#) and the IAP2 Spectrum of Public Participation, a number of performance measurements have been developed. Evaluation will help us to improve our engagement approach continuously.

A number of these will rely on exit surveys of participants in workshops and other interpersonal activities. Quantitative data will support this to determine diversity and participation.

Goal	How it will be measured	Target
<b>To inform, consult and involve consumers and the general community.</b>	Participant survey seeking feedback on their level of engagement in the process.	80% of participants feel they were engaged in the development of the key aspects of the regulatory submission at the 'involve' level as defined by the IAP2 Spectrum of engagement.  This will be supported by ensuring feedback loops on the outcomes of engagement activities.
<b>To inform and involve the ERAP</b> (December 2023 to October 2024).	Ongoing engagement and check-ins throughout.	ERAP to be sufficiently satisfied that they have been engaged at the 'involve' level.
<b>To involve the ECRC.</b>	Check-ins throughout.	Ensure the ECRC is satisfied that they have been engaged at the 'involve' level.
<b>Participation: representative and number of participants.</b>	Analysis of data gathered from participants in the engagement program.	Ensure the data gathered is representative of Canberra's demographics and ensure all target groups are represented.
<b>Clear, accurate and timely information.</b>	Participant surveys.	70% of participants report that information is easy to understand and timely.
<b>Accessible and inclusive. Electronic and hard-copy information, venues and</b>	Participant surveys.  Review against accessibility and inclusiveness requirements.	100% in accordance with identified guidelines.  No instances of people expressing concern or

Goal	How it will be measured	Target
<b>presentations will be accessible.</b>		dissatisfaction about accessibility or inclusiveness.
<b>Transparent through the provision of timely and complete information.</b>	Participant survey.	70% of survey respondents believe they have been provided transparent information.
<b>Establishing a relationship with consumers that is lasting and long-term.</b>	Participant survey.	70% of participants found they had a newfound understanding or appreciation of energy transition and the regulatory process.

## Monitoring

### On-going insights

Regular communication, event reports and status updates will ensure that our internal stakeholders have access to continual insights gathered through engagement activities.

### Consultation reports

A consultation report will be produced at the end of each of the three phases, enabling the information gathered to be accurately analysed and synthesised to produce actionable feedback that will shape our proposals.

## Considering feedback

In addition to the alignment with the [Better Resets Handbook](#) and the IAP2 spectrum and values, the following steps will be taken to ensure engagement outcomes are meaningfully and genuinely considered:

- **Careful and accurate collection of data** – this will include minutes, reports and data analysis of feedback from all interactions with stakeholder groups.
- **Public release of feedback** – regular reports on consultation activities and consultation reports will be accessible. Consumers will be able to challenge Evoenergy if stakeholder feedback has not been accurately recorded.
- **Participation by our leadership team** – leadership from Evoenergy will be involved across all engagement activities and be in a position to hear directly from consumers and other stakeholders as they discuss issues and provide feedback.
- **Direct input to management** – feedback will be regularly reported to key internal stakeholders so that it can directly inform the development of the regulatory proposal.
- **Demonstrate resulting changes to strategies** – in the regulatory proposal, changes resulting from engagement activities will be clearly identified. Where feedback may differ from the final position in the submission, the reasons for this difference will be clearly explained.
- **A consultation report** will be produced at the end of each engagement phase that summarises activities undertaken, feedback received, and response to that feedback.



## Have your say

Join the conversation and keep up to date on our engagement on the [Evoenergy website](#).

You can also stay up to date by visiting our social media pages on [Facebook](#), [X](#), [LinkedIn](#) and [Instagram](#).

## Get in touch

If you'd like to provide specific feedback or find out more about our gas network, you can reach out to us via [email](#).

