

CONSUMER ADVISORY PANEL

MEETING # 22

Date:	Monday, 13 December 2021, 10:00am to 11:00am
Venue:	Microsoft Teams
Purpose:	<ul style="list-style-type: none">• Present to the CAP near final Revenue Proposal, including:<ul style="list-style-type: none">○ Expenditure Forecasts○ Engagement Outcomes○ Revenue and Price outlook○ Contingent Projects• Provide a Fast Frequency Response Services update• Hear from Working Group members on engagement outcomes• Discuss engagement plans for 2022
Attendees:	Refer Attachment

MEETING NOTES

1. Introduction

Chris Hanna, Government and Stakeholder Relations Adviser, opened the meeting noting:

- The Consumer Challenge Panel members (CCP2025) have now been appointed by the AER, and were welcomed to the meeting.
- Andrew McKenna would join the meeting half-way through due to another commitment.
- Maureen Boyle is an apology and will be briefed on Revenue Proposal off-line.
- Vikram Kenjle is an apology.

The minutes of CAP Meeting 21 were noted and approved.

2. Revenue Reset Update

Jeremy Tustin provided the CAP with an overview on the near final Revenue Proposal. The presentation included:

- The overall narrative of the Revenue Proposal.
- The latest expenditure and revenue forecasts and how they have changed since the Preliminary Revenue Proposal (PRP).
- Noting that insurance costs as a key component are still to be finalised, as further advice is coming. However, early indications are that the final movement in costs is likely to be downward.

Simon Appleby provided an overview of the engagement undertaken on the Revenue Proposal, including:

- The overall engagement timeline and approach;
- The CAP Working Group meetings held and range of topics covered;
- Some reflections on the learnings from the engagement journey and proposed improvements for ongoing engagement moving forward;
- The proposed involvement of the CAP in ElectraNet's annual planning process, to provide insight and opportunity for influence on network and asset plans.

3. Fast Frequency Response Services

Rainer Korte provided an update on ElectraNet's response to AEMO's inertia shortfall declaration in South Australia. In summary:

- This problem arises when South Australia is islanded from the rest of the National Electricity Market, which has historically occurred once every two years.
- The energisation of Project EnergyConnect is expected to address the inertia shortfall;
- ElectraNet has conducted a procurement process with potential service providers of inertia services in South Australia and is work through the potential costs of providing the service; and
- ElectraNet will continue to work with AEMO to determine the next steps.

4. CAP Working Group: Member Update

Mark Henley noted the tragic passing of David Headberry, a member of the CAP Working Group, acknowledging his work on the CAP and Working Group. David will be sorely missed.

It was noted Andrew Nance had stepped down from the Working Group for health reasons.

Mark Henley presented an overview of the engagement with the Working Group. A summary of the key points are as follows:

- During the early stages of the process, the focus was on content. Key issues included:
 - system strength
 - Integrated System Plan (ISP),
 - Project EnergyConnect and spend timing
 - Contingent Projects – probabilities, costs, and triggers
 - Capital expenditure
 - Operating expenditure, with a focus on insurance and cyber insurance.
 - Projects such as avian guards, tower anti-climb (suicide prevention). The Working Group sought advice from Lifeline on the recommend device locations. Lifeline provided broad input supporting ElectraNet's focus on populated areas.

- Over the last two to three months the engagement shifted to focus on process:
 - The starting point was the previous Revenue Proposal.
 - The engagement experience initially did not fully meet expectations following the high level of engagement from the previous revenue reset process. Consultation on major projects, particularly PEC, disrupted business as usual engagement.
 - Engagement started off content-heavy and the CAP Working Group members didn't meet until late to establish a clear process.
 - Environmental, Social and Corporate Governance (ESG) is identified as a potential topic for future engagement.
 - Focus on governance gives confidence in outcomes. The Working Group spent time on this to satisfy itself and provide assurance of ElectraNet's forecasting processes.
- Mark Sutton supported Mark Henley's presentation, and agreed it was a good process and journey.

5. Next Steps

- Peter Eben and Mark Henley will draft the Working Group's engagement outcomes report. The report is expected to be completed and provided to ElectraNet by the end of February 2022.
- Mark Henley and Peter will be talking to CAP members in January in the preparation of the report.
- A meeting of the CAP will be convened in February to review and finalise the report. With the endorsement of the CAP, ElectraNet will then submit the report to the AER.

6. Other Matters

- Andrew McKenna asked about overall customer price trends and impacts based on the latest forecasts. ElectraNet confirmed that the scope for savings remains limited given the significant investments undertaken in the current period, but the overall price impact of the final forecasts was minor.
- Mike Swanston from the CCP observed that consumers not reacting well to TNSP claims of investment driving down prices. Also future WACC increases can be expected to increase prices.
- Members noted that Andrew McKenna was leaving Business SA and would be stepping down from the Panel. The Panel recorded its thanks to Andrew and Business SA for his significant contribution to the Panel since its establishment.

Next Meeting: February 2022 (TBC)

ATTACHMENT

ATTENDEES	
Name	Affiliation / Title
Mark Henley	Uniting Care
Mark Sutton	Outback Communities Authority
Andrew McKenna	Business SA
Peter Labropoulos	SACOME
Observers	
Lynley Jorgensen	AER
Jane Kelly	AER
Rob Nicholls	Consumer Challenge Panel
Elissa Freeman	Consumer Challenge Panel
Mike Swanston	Consumer Challenge Panel
Peter Eben	Seed Advisory
ElectraNet Representatives	
Rainer Korte	Group Executive, Asset Management
Chris Hanna	Government and Stakeholder Relations
Simon Appleby	Manager Regulation & Investment Planning
Jeremy Tustin	Regulated Investment Planning Manager
Apologies	
Vikram Kenjle	The University of Adelaide
Maureen Boyle	SACOSS