

CONSUMER ADVISORY PANEL

MEETING # 3

- Date:** Tuesday, 8 December 2015, 1:00pm to 4:00pm
- Venue:** Hindmarsh Room 1 (Level 15), Crowne Plaza, 16 Hindmarsh Square
Adelaide
- Purpose:**
- Develop an understanding of the ESCOSA Electricity Transmission Code Review
 - Consider broadening the Panel membership
 - Demonstrate how ElectraNet has incorporated the feedback from the Panel on the draft Consumer Engagement Plan
 - Discuss the development of ElectraNet's Network Vision & associated consultation process
 - Introduce the Consumer Engagement Program 'listen' phase
 - Develop success measures for the Panel
- Attendees:** Refer Attachment
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MEETING NOTES

1. Introduction

Members welcomed Jason Kuchel, Chief Executive, South Australian Chamber of Mines and Energy (SACOME) to his first meeting. Members noted that Taryn Sexton, Chief Executive Officer, Local Government Professionals Australia has also accepted a position on the Panel to represent the local government sector.

The Panel accepted the meeting notes of the second meeting held on 6 October 2015 as a true and accurate record.

2. What is the purpose of the Electricity Transmission Code (ETC) Review?

Adam Wilson, Chief Executive Officer, Essential Services Commission of SA (ESCOSA), discussed the Electricity Transmission Code (ETC) Review currently underway, which commenced with the release of an Issues Paper in October. He discussed the following:

- The role of ESCOSA in setting the transmission reliability standards, which apply in particular to the exit points of South Australia's transmission network;
- The role of the AER as the economic regulator;

- The review is conducted every five years to coincide with ElectraNet's revenue proposal to the AER and the current review covers the regulatory period from 1 July 2018 to 30 June 2023;
- ESCOSA is seeking to enable greater flexibility in changing reliability standards, should circumstances materially change after commencement of a regulatory period (thus being less deterministic);
- ESCOSA engaged the Australian Energy Market Operator (AEMO) to conduct a technical review of the existing ETC reliability standards and found no case to upgrade any exit points during the next regulatory control period; and
- The option of incorporating outcomes based standards into the existing input based standards.

In response to questions, further clarification was provided on:

- What is an exit point on the transmission network – namely the bulk supply points that connect to the distribution network and large transmission customers;
- What does deterministic mean in relation to the Code – this refers to the setting of standards that dictate the level of transmission assets or equivalent capacity that must be provided;
- The expected timeframe of the Review – which is due to be concluded in the first half of 2016;
- The Regulatory Investment Test for Transmission (RIT-T) – this is the economic assessment and public consultation process that is undertaken for all large load-driven investments to find the least cost solution option; and
- Number of submissions made on the review – with 3 published to date.

ElectraNet will provide the Panel with a copy of its submission to the review (subsequently circulated out of session).

Further information on the ETC review can be found on the ESCOSA website:

<http://www.escosa.sa.gov.au/projects/projectdetails.aspx?id=235>

3. Is the Panel membership sufficiently broad?

Ann Shaw Rungie, Independent Facilitator discussed the recent addition of SACOME to the Panel in response to feedback from the Panel on who ElectraNet should engage with as part of the Consumer Engagement Plan. A discussion was held on ElectraNet's intention to extend an invitation to the Electricity Consumers' Coalition of South Australia (ECCSA) and the Energy Users Association of Australia (EUAA) to each nominate a member for the Panel. Members were supportive of inviting the two new organisations, and noted this would broaden out the representation on the Panel. It is understood that participation is likely to be principally by telephone, given that both organisations are Victorian based.

ElectraNet confirmed its intention to issue a formal invitation to ECCSA and EUAA.

4. How has ElectraNet incorporated the feedback from the Panel on the Draft Consumer Engagement Plan?

Simon Appleby, Senior Manager Regulation and Land Management, briefed the Panel on key learnings of process and content taken on board to date from other Network Service Providers' Consumer Engagement processes in developing ElectraNet's plan.

He also presented ElectraNet's Draft Consumer Engagement Plan and tabled how the feedback from the Panel was included in the updated Plan. Items included:

- Conservation, environment stakeholders and potential transmission customers included in consultations (e.g. prospective mining developments) are now specifically included in the stakeholder groupings;
- It is more clearly demonstrated in the plan that consumer engagement is an ongoing business as usual process; and
- Reference to potential Willingness-to-Pay studies has been removed from the Plan.

In response to questions, further clarification was provided as follows:

- The consideration of how large proposed generators (ie renewables) will be engaged. It was noted that while new generator connections are not part of the regulated network, the wider implications of new generator connections will be considered.
- That it is not the same team within the Australian Energy Regulator (AER) that reviews all the revenue proposals and consumer engagement programs of regulated networks.

ElectraNet asked Panel members for any final input or comments on the Draft Consumer Engagement Plan by Friday 18 December 2015.

5. Why is ElectraNet developing a Network Vision, what is it, and what has been the feedback to date?

Rainer Korte, Executive Manager Asset Management, presented an overview of ElectraNet's Network Vision Discussion Paper based on a presentation from the Transmission Network Stakeholder Forum held on 2 December 2015. The Discussion Paper and presentation are about starting a conversation on:

- What's changing in the electricity industry
- What customers and consumers value
- The future role of the transmission network
- ElectraNet's proposed directions and priorities for the next five years

Rainer also provided an overview to the Panel on what ElectraNet heard as the key themes of interest for the attendees at the forum and feedback provided by attendees.

In response to questions further clarification was provided on:

- Whether the transmission network is seen as an enabler for the state's economic development, given the tension between that role and keeping network prices down,

and the need for more discussion about options to balance long term impacts and costs.

- The challenges of renewable integration, withdrawal of the Northern Power Station and options to manage the impact on the network.
- Discussions on potential interconnector expansion options.

ElectraNet invited Panel Members to review the Network Vision Discussion Paper and provide any comments or questions by 15 January 2016.

<http://www.electranet.com.au/network/transmission-planning/network-vision/>

6. What questions is ElectraNet proposing to ask stakeholders in the Listen Phase of the Consumer Engagement Program?

Simon Appleby, Senior Manager Regulation and Land Management, introduced the Panel to the Listen Phase of the Consumer Engagement Program. The Panel was provided a copy of the draft questions that are being developed for the one on one interviews and workshops with customers and stakeholders.

In response to questions, further clarification was provided on:

- Battery storage options. ElectraNet undertook to provide the Panel a copy of the Australian Renewable Energy Agency (ARENA) presentation of battery storage (summary slides were subsequently circulated out of session).

ElectraNet asked Panel members for any comments or input on the draft questions by Friday 18 December 2015.

7. What does success look like for the Consumer Advisory Panel?

The Panel workshopped the question *'What does success look like for the Consumer Advisory Panel'*. A number of themes were developed. A table summarising this will be provided separately for further development with the Panel.

8. Next steps

Panel members were invited to provide feedback on any issues raised in the meeting.

Next meeting: Tuesday, 23 February 2016 at 1-4 pm, venue to be advised. It was noted that the February meeting has been rescheduled due to ElectraNet Board commitments. Future meetings to be held as per forward meeting schedule.

Meeting Attendees

Member	Organisation
Tim Kelly	Conservation Council of South Australia
Sandy Canale*	Energy and Water Ombudsman SA
Andrew McKenna	Senior Policy Advisor, Business SA
Graham Pratt	Consumers Association of South Australia
Jo De Silva*	Senior Policy Officer, SACOSS
Mark Henley#	Manager Advocacy and Communication, Uniting Communities
Jason Kuchel	Chief Executive, South Australian Chamber of Mines
Independent Facilitator	
Ann Shaw Rungie	Ann Shaw Rungie Consulting
Company Representatives	ElectraNet
Rainer Korte	Executive Manager Asset Management
Simon Appleby	Senior Manager Regulation and Land Management
Vicky Knighton	Senior Regulatory Advisor
Guest	
Adam Wilson*	Chief Executive Officer, Essential Services Commission of SA

* Part

Part via telephone

Apologies:

Hon Rob Kerin, Executive Chairman, Primary Producers SA

Daniel Gannon, Executive Director, Property Council of Australia

Vivienne Smith, COTA SA

Taryn Sexton, Chief Executive Officer, Local Government Professionals Australia