

Minutes

Reg Reference Group meeting

Wednesday 23 June 2021
Western Sydney Business Centre, 4 Parramatta
10.00am – 1.30pm

ATTENDANCE

| Member | Organisation |
|---------------------|--|
| Adam Young | AER |
| Clare McIntosh | AER |
| Francoise Merit | Endeavour Energy |
| Leanne Pickering | Endeavour Energy |
| Colin Crisafulli | Endeavour Energy |
| Patrick Duffy | Endeavour Energy |
| Peter Langdon | Endeavour Energy |
| Jacqueline Crompton | Endeavour Energy |
| Kate McCue | Endeavour Energy |
| Kate Stariha | Endeavour Energy |
| Mark Grenning | Energy Users Association of Australia |
| Iain Maitland | Ethnic Communities Council |
| Fiona Court | Newgate (Facilitator) |
| Sophia Vincent | NSW Department of Planning, Industry & Environment |
| Anna Livsey | Public Interest Advocacy Centre |
| Mike Swanston | The Customer Advocate |
| Nic Pasternatsky | Western Sydney Regional Organisation of Councils |
| Apologies | |
| Jacqueline Crawshaw | Energy Consumers Australia |

WELCOME & INTRODUCTIONS

Independent facilitator, Fiona Court opened the meeting with an acknowledgement of country and called for a round of quick introductions. Committee Chair, Francoise Merit welcomed new RRG members Anna Livsey and Sophia Vincent, and passed on an apology from new member, Jacqueline Crawshaw.

Francoise Merit also tabled the Minutes from the previous meeting, and these were accepted without amendment.

Francoise Merit brought two parallel public engagement processes to the attention of the RRG:

1. The AER is seeking expressions of interest for Consumer Challenge Panel (CCP) members, applications deadline is 9 July 2021.
2. The AER released its consultation paper on the Binding Rate of Return Instrument on 10 June. Submissions from interested parties are due 9 July 2021.

EXPECTATIONS FOR THE MEETING

Fiona Court asked members of the RRG who attended the 3 May co-design workshop to provide feedback to new members of the committee and sought expectations from members for the day's meeting.

| Member | Contribution (reflections on co-design workshop) |
|--|---|
| Reflections on co-design workshop | |
| Adam Young | <ul style="list-style-type: none"> Appreciated the matrix of issues on the wall and prioritisation of issues on the IAP2 spectrum. Moving to a “capable of support” objective is an important shift, and the discussion re competing objectives and the trade-offs that will occur was important. |
| Mark Grenning | <ul style="list-style-type: none"> I enjoyed the openness with which the workshop was undertaken and the collegiate nature of it, and generally the desire to come to a common understanding. |
| Iain Maitland | <ul style="list-style-type: none"> The prioritisation was great – spelling it out together There was a great feeling of us all in there working together. |
| Mike Swanston | <ul style="list-style-type: none"> Interested in the “why” – it’s the early days – but we must get consumer engagement to the next level where the corporate plan and regulatory engagement reflect each other. Must show how consumers have been meaningfully engaged in an informed way and that has moved the needle. |
| Expectations for this meeting | |
| Iain Maitland | <ul style="list-style-type: none"> Don’t rush evaluation. We must provide feedback at all levels re discovery and outcomes. |
| Sophia Vincent | <ul style="list-style-type: none"> Happy to go with the plan. |
| Mark Grenning | <ul style="list-style-type: none"> Particularly interested in the research discussion. It’s a great innovation I the process and I haven’t see it in reg re-sets before. |
| Adam Young | <ul style="list-style-type: none"> The AER is developing its Statement of Expectations for networks and this will give you an early feel for how proposals will be reviewed, which is good for everyone. |

ENGAGEMENT ROADMAP

Chief Customer and Strategy Officer Leanne Pickering tabled the Draft Engagement Plan that was issued in the re-reading pack and had been created using inputs from the co-design workshop in May.

Network Regulation Manager, Colin Crisafulli and Stakeholder and Communications Manager, Jacqueline Crompton stepped members through four key components of the draft plan:

- the engagement goal,
- the issues map,
- the proposed suite of techniques for engagement; and,
- the engagement schedule / preliminary calendar for 2021/2022.

Members worked through these components of the draft plan, which Endeavour Energy committed to refine using the further inputs from the meeting. The draft plan will be re-issued out of session for further review, with a view to the plan being both an agreed roadmap for the way forward and a living document that can and should be amended as required over the next 15 months.

| Member | Contribution |
|------------------------|--|
| Engagement Goal | |
| Mike Swanston | <ul style="list-style-type: none"> • The wording of the engagement goal slide should be refined – both wording of the goal and surrounding dependent outcomes to include active verbs, and the statement itself needs to be finessed. <ul style="list-style-type: none"> ○ Jacqueline Crompton confirmed that members believed the substance of the statement was sound but that the expression should be improved. |
| Anna Livsey | <ul style="list-style-type: none"> • It looks acceptable to me, but could we include reference to access and equity pricing within the lens of energy transition? |
| Sophia Vincent | <ul style="list-style-type: none"> • Sustainability is a key pillar of NSW Government objectives. We'd like to see EE do more than "maintain" affordability. |
| Mark Grenning | <ul style="list-style-type: none"> • Questioned reference to "high quality investment". <ul style="list-style-type: none"> ○ Colin Crisafulli advised it was about maintaining quality investment, rather than attracting further investors. EE will make this clearer when refining engagement goal. |
| Issues Map | |
| Jacqueline Crompton | <ul style="list-style-type: none"> • Advised that there two minor errors in the issues map included in the draft engagement plan, and these had been picked up following further review of photos of the issues map. The correct version was available for review in the presentation pack. |
| Mark Grenning | <ul style="list-style-type: none"> • "If we can achieve that it's going to be an amazing level of achievement." • We should have the flexibility to change the map as we go. <ul style="list-style-type: none"> ○ Jacqueline Crompton confirmed flexibility was a foundation principle of the plan. |

| Member | Contribution |
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| Mike Swanston | <ul style="list-style-type: none"> Reflected on breadth and depth and wondered which issues lent themselves to deeper engagement, and which to broad-shallow engagement. <ul style="list-style-type: none"> Colin Crisafulli and Jacqueline Crompton advised this would be determined collaboratively as we go. |
| Nic Pasternatsky | <ul style="list-style-type: none"> What about innovations and new technology? We should give the company (EE) justice. Re “outside in view” – suggested we be more explicit in our language re future grid – refer to specific technologies. <ul style="list-style-type: none"> Leanne Pickering observed this was also apparent in the future grid workshop – our terminology doesn’t always translate well to customers. We will be more mindful of language. |
| Iain Maitland | <ul style="list-style-type: none"> The process of engaging on the issues map depends on the segments being engaged per issue – it must be pitched correctly. |
| Engagement Techniques | |
| Adam Young | <ul style="list-style-type: none"> All techniques will be valid at some point – it depends on the audience. AER will be examining engagement through multiple points of view rather than a “single point of truth” and the CCP will form part of that assessment. CCP will be a sounding board for the AER on engagement. |
| Iain Maitland | <ul style="list-style-type: none"> Happy with the list of engagement techniques. CALD communities have not been well engaged in the past, and CALD SMEs “have had a very small voice”. Needs further deliberation how to get this right but must be done in language. <ul style="list-style-type: none"> Jacqueline Crompton requested Iain’s assistance via further one-on-one consultation regarding the program for engagement CALD engagement. Too hard to do CALD research in July (Jacqueline Crompton agreed this as a preliminary timeline, and we won’t hit it.) |
| Sophia Vincent | <ul style="list-style-type: none"> It’s great to see such a comprehensive engagement plan. NSW government will be interested in sharing your research and engagement outcomes. |
| Anna Livsey | <ul style="list-style-type: none"> Great to see so many different kinds of engagement. Access to the results of the formal research will be useful for many parties. |
| Kate McCue | <ul style="list-style-type: none"> Emphasised the co-design approach to developing a more detailed engagement program that matches techniques to issues and customer segments. |
| Engagement Schedule & Preliminary Calendar | |
| Nic Pasternatsky | <ul style="list-style-type: none"> Let’s go with monthly meetings for 2022 and see how it goes. We can amend if we need to. |
| Iain Maitland | <ul style="list-style-type: none"> Having dates in advance helps people arrange their lives better. <ul style="list-style-type: none"> Jacqueline Crompton confirmed dates have been tentatively scheduled right to the end of 2022, and she will share the calendar spreadsheet. |

| Member | Contribution |
|---------------|--|
| Mark Grenning | <ul style="list-style-type: none"> Does EE want the RRG members to attend all events including deliberative forums etc? How do we manage this? <ul style="list-style-type: none"> Kate McCue confirmed we warmly welcome RRG members to attend all events, and that this is our preference. Jacqueline Crompton discussed how we could manage that – using online tools for registration / encouraging RRG members to discuss among themselves how they might want to attend collectively or share the load across different events. Will progress this work out of session. |

EVALUATION

Evaluation is also contained within the Draft Engagement Plan but was dealt with separately on the agenda in light of this topic having been held over from the May co-design workshop. Kate McCue re-introduced Endeavour Energy's initial approach to engagement, seeking input on both the overall framework and specific metrics / KPIs proposed in the draft plan.

| Member | Contribution |
|---------------------------------|--|
| Importance of evaluation | |
| Adam Young | <ul style="list-style-type: none"> Evaluation is very handy for me to be able to write up an engagement assessment. The AER wants to assess and track the engagement journey all the way through. This will include independent evaluation, not just EE evaluating themselves. The AER is developing its Statement of Expectations for networks and this will give you an early feel for how proposals will be reviewed, which is good for everyone. The Statement of Expectations will provide network businesses with an early indication of whether they will receive a light touch or standard review. AER looking at top down focus only on areas where required – areas that are generally considered to be good can be passed through. <ul style="list-style-type: none"> Mark Grenning agreed, stating “Powerlink did not want to answer 500,000 questions in their re-set” and this would be an important improvement. |
| Mark Grenning | <ul style="list-style-type: none"> Noted it is hard for individuals to place a seal of approval on engagement when they're representing broader organisations, especially when asked to consider “capability of acceptance”. |
| Iain Maitland | <ul style="list-style-type: none"> Agreed with Mark – capable of support is much easier to respond to as a representative of the ECC. Evaluation by RRG should be independent – and the AER sees two proof points – sees both evaluation processes happening. |
| Evaluation KPIs | |
| Adam Young | <ul style="list-style-type: none"> If you don't have 100% of your RRG, you have a problem. AER considering asking DNSPs to sign an “MOU” with the AER to commit to good faith engagement to achieve a “reduced regulatory burden”. |

| Member | Contribution |
|---------------------|---|
| Anna Livsey | <ul style="list-style-type: none"> 70% of end consumers seems a bit low – 80% or above would seem a more likely target. <ul style="list-style-type: none"> Leanne Pickering referenced HD university grades as possible benchmark (equivalent to 85%) |
| Mark Grenning | <ul style="list-style-type: none"> How do we make sure that the RRG is independent and not “captured”? <ul style="list-style-type: none"> Adam Young replied that an independent report should be received from the RRG – AER does not want to see RRG report embedded in Endeavour proposal. Should stand alone for clear visibility and independence. |
| Mike Swanston | <ul style="list-style-type: none"> Referenced “beautiful plumage” from Monty Python skit (beautiful exterior hiding a dead bird). Advised we had work to avoid this outcome. Asked if we could tie KPIs to outcomes articulated in the overarching objective. Can we have outcome KPIs as well? |
| Iain Maitland | <ul style="list-style-type: none"> Supports 70% KPI for end-use customers, because “you only have to annoy a few customers to hit 70% endorsement”. |
| Jacqueline Crompton | <ul style="list-style-type: none"> How do we maximise RRG participation in evaluation surveys? <ul style="list-style-type: none"> Nic Pasternatsky keen on immediate release following meeting. Sophia Vincent happy to complete evaluation at the end of the meeting (per experience undertaking MBA). Iain Maitland “happy with nagging” follow up. Jacqueline agreed to have evaluation surveys ready in advance for immediate issue at the end of each engagement / same day issue. |

RESEARCH

Kate McCue introduced a draft research brief articulating the key themes that Endeavour had canvassed as preliminary starting points for a research partner to design research and engagement activities with end use customers and various customer segments.

| Member | Contribution |
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| Nic Pasternatsky | <ul style="list-style-type: none"> Will have to think this through more. But this reflects everything we discussed at the co-design workshop. This is a good start. |
| Iain Maitland | <ul style="list-style-type: none"> CALD research is challenging – happy to provide input on how to do good research as early as possible. Make sure the questions make sense in English first, otherwise you could “end up with seriously expensive gobbledygook”. |
| Adam Young | <ul style="list-style-type: none"> Also agreed it was a good start. We want to know about willingness to pay. We hear customers want this or that – but are they willing to pay? |

| Member | Contribution |
|---------------------|--|
| | <ul style="list-style-type: none"> ○ Kate McCue responded that many were spooked by willingness to pay research, and there is a shift away from this approach. How do you demonstrate trade-offs so its credible? ● Adam agreed that willingness to pay research is “difficult and vexed”, but the AER still requires evidence. ● Adam advised AER working on VCR (Value of Customer Reliability) estimates. |
| Mark Grenning | <ul style="list-style-type: none"> ● This is a comprehensive list and a great starting point. ● Re RRG research -are we proposing that this is done independently How can it be independent? Will the RRG have to conduct research via the research partner engaged by EE? <ul style="list-style-type: none"> ○ Kate McCue responded that research will be co-designed and, in that way, the RRG will direct research activity and priorities. |
| Nic Pasternatsky | <ul style="list-style-type: none"> ● Queried what aspects do we want to research (independently)? Not clear on what kind of research we are talking about. |
| Jacqueline Crompton | <ul style="list-style-type: none"> ● Confirmed that Mark Greening was asking how can research be considered independent? Does it require an independent supplier / independent budget? How can we agree that research is independent? ● Suggested that might be a premature question that is better posed once co-design research has been designed with full input from RRG. Following this process, RRG will be in a better position to know what further research priorities they might want / need to pursue, and whether co-design using the EE’s research partner enables them to do so with adequate impact. |
| Mike Swanston | <ul style="list-style-type: none"> ● Tariffs! Tariff research has been kicked down the road for years – it’s time to make a concerted effort. Tariff reform desperately needs a collaborative effort (short of collusion!) ● Look at it from a customer’s point of view – what is sensible to make it a common cause – do once and do well. Innovation and DER will only achieve momentum when treated as a common cause: <ol style="list-style-type: none"> 1) Can we build a common voice behind the issues that need momentum through research? 2) Which issues would benefit from only doing it once? (Community batteries, SAPs, resilience for example) <ul style="list-style-type: none"> ○ Nic Pasternatsky agreed wholeheartedly. (It’s not collusion, it’s benchmarking). |
| Anna Livsey | <ul style="list-style-type: none"> ● This is a really comprehensive list. ● Can we also add research into how energy consumers see their role in energy? Do they see themselves as passive consumers? |
| Sophia Vincent | <ul style="list-style-type: none"> ● Looks comprehensive. Can circulate at DPIE for further input over the next couple of days and respond if there’s further to add. |

ACTIONS ARISING FROM THE MEETING

| Action / Issue | Notes |
|--|--|
| Issue Draft Minutes | Jacqueline Crompton to issue |
| Issue Evaluation Survey | Jacqueline Crompton to issue same day as engagement. |
| Issue preliminary engagement calendar | Jacqueline Crompton to issue with draft minutes |
| Issue revised engagement plan reflecting input from this meeting on all aspects of the draft plan noted above. | Jacqueline Crompton to issue out of session for further feedback. |
| Facilitating independence of RRG members | Endeavour Energy to consider practical means of establishing RRG stakeholder independence (i.e. such as creating SharePoint / Teams space for collaboration between independent members only). |
| Independent research partner | Endeavour Energy to advise RRG on selection of independent research and engagement partner (including rationale for selection) in early July. |

NEXT MEETING

Scheduled for 9.30am, Wednesday 15 September 2021 (*Iain Maitland has since advised that this date conflicts with a Jemena engagement, and we will re-schedule accordingly.)

MEETING CLOSE

Francoise Merit brought the meeting to a close at 1.00pm and welcomed in-person participants to a light lunch.