

# Meeting Minutes

Consumer Advisory Panel

Meeting #33

<b>Date:</b>	Thursday, 16 May 2024, 9:30am – 12:30pm
<b>Meeting Objectives:</b>	<ul style="list-style-type: none"> <li>• Update and discussion on ENet’s approach to social license and identify areas for further input</li> <li>• Update and discussion on ENet’s Capital Program outlook</li> <li>• Update and discussion on South Australia Energy Transformation</li> </ul>
<b>Attendance:</b>	Refer Attachment 1

## 1. Welcome + General Updates

Leanne Muffet, Independent Facilitator of the CAP, opened the meeting and led the Acknowledgement of Country.

Mark Henley and Estha van der Linden were noted as apologies. The minutes of the meeting held on 22 February 2024 were accepted with two minor grammatical changes.

It was noted that a special purpose meeting will be arranged with the CAP and Energy Network Australia (ENA) in June/July or in our CAP meeting in August to discuss Social Licence Research Slides (89 Degrees East for ENA).

## 2. Action Items

Action items were reviewed and accepted by the CAP as follows.

- ElectraNet to share the Network Transition Strategy for feedback prior to release
- ElectraNet to provide an update on AER application for inertia service costs
- SA Business Chamber to share the full quarterly business survey results with CAP Members

Chris Hanna, External Relations Lead and Simon Appleby, Head of Corporate Affairs provided the following updates:

- Simon noted that ElectraNet must procure inertia services to help maintain a stable power system in the event of the South Australian network being ‘islanded’.
- The expected costs of these services are included in ElectraNet’s revenue allowance, which is later trued-up for the actual costs incurred.
- AEMO has reduced the inertia requirement for 2024-25 from 360 MW to 50 MW, reducing the expected annual cost from \$8.15m to around \$2m.
- ElectraNet lodged an application with the AER to reduce its revenue allowance for FY25 to pass this reduction back to customers up front, consistent with the CAP’s previous advice to minimise revenue volatility for customers.
- Accordingly, ElectraNet foreshadows a reduction will be factored into ElectraNet’s prices for 2024-25 published in mid-March. On 22 March, the AER formally approved the pass-through application.

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- The CAP noted this update and identified inertia as an important topic for ongoing engagement.

Leanne Muffet provided the following updates:

- SA Power Networks (SAPN) have recently reconfigured their Consumer Advisory Group Governance structure and Georgie Morris is the Chair of the Vulnerable Customer Advisory Group as well as sitting on the Community Advisory Forum (VCAG Rep) and Reset Advisory Group.
- Yarik and Greg are both on the Tariff Advisory Group.
- Dan Popping, Head of Stakeholder Engagement from SAPN has connected with Chris and Leanne. Further updates will be given in due course.

Chris Hanna provided an update on Project EnergyConnect (PEC) timelines:

- Transgrid have released an update on their construction of PEC. As previously advised ElectraNet has completed its section of the interconnector to the NSW border (Dec last year).
- The first stage of the project (150MW) - previously scheduled to be in service for the June quarter of this year, is now scheduled to be in service in the September quarter of this year, at which time AEMO will commence internetwork testing.
- The second stage of the project (on the NSW side Buronga to Wagga Wagga) will be completed and in service by the June quarter of 2026. AEMO will then commence internetwork testing for release of up to 800MW, dependent on market conditions and available supply.
- The testing of the first section should take at least 3 months and testing on the second section is forecast to take 12-18 months.
- The CAP highlighted timelines and repercussions for construction delays. The underlying concern revolves around South Australia's reliance on other states for development solutions and supply. It's recognised that focusing on security and supply within SA is essential.
- Simon Appleby advised that AEMO would provide an update to the Electricity Statement of Opportunities (ESOO) on 17 May 2024. The ESOO forecasts and identifies any reliability gaps in the coming five years which highlights the risk of shortfalls. To minimise the risks to consumers in some circumstances, AEMO can use the interim Reliability Reserves (IRR) and Reliability and Emergency Reserve Trader (RERT) resources.
- South Australian consumers are paying for PEC in their bills without receiving the full benefits of the interconnector. This reflects the fact that Transgrid's delay was not shown in the forecasts that underpin ElectraNet's revenue.

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Chris Hanna provided an update on the Integrated System Plan (ISP):

- The ISP is scheduled for release on Wednesday 26 June.
- As previously mentioned, the CAP submission carried significant weight with AEMO and the South Australian Government.
- AEMO is running a modelling sensitivity to show the impacts of some additional load in the State's north. This study is understood to include some, but not all, the additional loads ElectraNet has identified. This reflects the likelihood that not all of those loads will proceed.
- ElectraNet will receive an embargoed copy of the ISP the day before the announcement and can provide a high level summary of the actionable items to the CAP the morning of the announcement.

**ACTION:** ElectraNet to send a high-level summary of the ISP actionable items to the CAP by the morning of June 26 (day of the announcement). Consideration will be given to a breakfast briefing to be confirmed later with the CAP members.

### 3. CAP top of mind issues

A new agenda item was introduced to the CAP, *Top of mind issues* (facilitated by Leanne) the follow items were raised:

Yarik Turianskyi – SA Business Chamber

- The Federal budget was released and will give small businesses up to \$650 a year of energy bill relief, paid as quarterly credit of \$162.50., i.
- SA Business Chamber have made a submission to the Australian Energy Regulator (AER) around SA Power Networks draft regulatory proposal 2025–30.

Georgie Morris – SACOSS

- There's ongoing work on smart metering - the implications for low-income earners is unclear and could be challenging.
- Georgie attended the Clean Energy First Nation Symposium, raised the importances of transmission for the future, there is clear engagement from ElectraNet of development in Eyre Peninsula. It was noted a staff member from ElectraNet attended the symposium as well.

Rebecca Knol – SACOME

- As a sector pushing back on Retailer Energy Productivity Scheme (REPS), pushing hard ahead of the State Election, industry customers are underpinning the energy transition and the cost is increasing. Costing our business a lot.
- Green steel strategy & solar arrays are items that the CAP should be considering in planning and or discussions.
- Frequency Control Ancillary Services (FCAS) charges are likely to increase.

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Andrew Richards – EUAA

- Recently welcomed the Federal Government announcement of the Future Gas Strategy.
- EUAA is responding to the Federal Government electricity energy sector plan. This includes bringing a capacity investment scheme to market.
- It's important to monitor the orchestration of the consumer energy resources such as rooftop solar power over coming years. For large energy users, there are notable negative impacts on the wholesale market, particularly as we encounter negative prices (supply of electricity exceeds the demand and generators pay supply electricity into the grid).
- Other areas include decarbonisation and the circular economy, NSW Renewable Energy Zone Road Map, FCAS costs will go up, either directly or via system strength costs rolled into transmission bills.

Vikram Kenjle - University of Adelaide

- As part of the merger with Uni SA, Adelaide University is tendering for electricity supply and is experiencing 30 per cent price increases. This confirms comments made by others..

Greg McCarron – CIT

- Electricity prices are still main concern, as budgets are being prepared with SAPN charges are hitting hard.

Simon Maddocks – Primary Producers SA

- VICGRID have released for consultation their proposed investment framework that includes a compensation scheme of \$200,000 per km for landholders hosting new electricity transmission infrastructure, paid in annual instalments of \$8,000 per year for 25 years indexed to inflation. Renewable energy zones (REZ) community energy fund to be created for each hosting a REZ to provide community investment and substantial community development support.

## 4. Presentation on Social Licence

Michael Bails, Land and Approvals Lead at ElectraNet presented ElectraNet's approach to building and maintaining social licence to operate. Michael provided the following updates:

- Michael defined Social Licence as: *the public's expectation for businesses to do the right thing*. Michael noted that this is built over time and based on trust and confidence. He stated that Social License is hard to win and can be easy to lose.

Michael Bails provided the following context:

- ElectraNet's transmission network crosses over more than 7,500 properties in South Australia and just about every one of the 16,000 structures (5634 poles 1017 pi's or 9107 towers) and 6500km of conductor is either on or hangs over land that is owned by someone else.

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- ElectraNet have tailored solutions for landholders, demonstrating respect by valuing their time, property, and privacy.
- Information was provided on previous ElectraNet projects, including the Snuggery Reinforcement project (2003) in the South-East. This project was shared as an example where ElectraNet's process did not work to plan and consequently Social Licence deteriorated.
- The completion of project was 2 years behind, over budget and ElectraNet did not manage the community engagement as well as they could have..
- Since the Snuggery project, ElectraNet has adopted the following practices:
  - a) tailoring community engagement practices to match local needs;
  - b) where appropriate, actively working with Traditional Owners;
  - c) working closely with local government and local businesses;
  - d) Recognising that one size does not fit all.
- ElectraNet continues to actively engage with stakeholders and to continue to improve and develop staff in:
  - IAP2 – International Association for Public Participation (community engagement).
  - Attendance at Land Access Conferences, Land Access Code development and professional standards for Land Access workers.
  - Encouraged to collaborate with IRWA – International Rights of Way Association (property professionals involved in infrastructure and utilities) Energy Charter and Energy Guidelines.
  - It was noted that social license its more social acceptance, terms can get confused. End of the day the community isn't giving a license its acceptance.
- Michael mentioned if ElectraNet were lucky to achieve success through social license on recent projects, such as EP Link (the new connection between Whyalla and Port Lincoln), Hill to Hill line (the new connection between Port Augusta and Prominent), and Project Energy Connect between Robertstown and the NSW Border.

The CAP raised the following statements/questions from Michael's presentation:

- **What advice would you give to Government around social acceptance, and have you been engaging with Government to advise of your success?**

Yes, ElectraNet have been invited to attend various forums with State and Federal Government to share insights on how we have successfully executed significant projects. These forums are a chance for ElectraNet to suggest ways in which to build and maintain social licence. Early engagement is perceived as a key driver for successful social licence.
- **How does ElectraNet oversee subcontractors on properties to mitigate biosecurity risks?**

Biosecurity concerns are addressed in ElectraNet's procedures which stipulate the need to check with landholders prior to undertaking planning work and / or entering properties. Further to this, any contractor working with ElectraNet need to

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demonstrate a review of internal systems for safety hazards and landowner special requirements. Contractors also need to provide written notice to each landholder prior to entry.

- **What is your relationship with SAPN and do you share information?**

Where appropriate, we share information with SAPN and communication directly with the landholders, prior to entering land to access easement.

- **Social license will continue to involve/improve, what is ElectraNet attitude towards constant improvement and evolution of this process?**

Social Licence is built over time and earned through trust, a social licence (or social acceptance) is maintained through conduct and actions consistent with social mores. We see a continuous improvement mindset as crucial part of maintaining our social license to operate. It is important to improve and evolve because:

Community expectations and norms also evolve over time. What was acceptable in the past may not be acceptable today. By remaining alert to improving practices and standards, we're better positioned to adapt to these changes and ensure they align with current expectations.

A social licence to operate is built on trust. Continuous improvement demonstrates our commitment to addressing concerns and improving performance, which ultimately helps to build and maintain trust with communities and stakeholders.

Engaging with stakeholders is essential for understanding their concerns and expectations. By continuously improving and learning we demonstrate our responsiveness to stakeholder feedback and a willingness to engage in meaningful dialogue

Sustainability is increasingly becoming a key factor in the viability of a social license. A continuous improvement mindset ensures that the company's operations are environmentally sustainable, socially responsible, and economically viable in the long term.

- **In other states around competition and closing the gap between the value given for landholders who host wind and solar vs transmission assets. Has this conversation been had?**

In terms of compensation, ElectraNet remains committed to ensuring landholders receive fair and just compensation for hosting our infrastructure on their land. We are aware of the special arrangements that have been offered on limited projects interstate but note the greater acceptance of renewable energy in SA and the needs of the transmission network.

- **Can we change the design or beautified transmission lines? To something like the Nordic design that incorporate public art?**

Yes, however its more cost effective and safe to maintain the current designs. Any additional costs associated with design changes will ultimately be passed on to the consumer in terms of cost.



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### 5. CAP engagement on ENet's Capital Program Outlook

Jeremy Tustin, Manager of Regulation presented a summary of ElectraNet's future capital expenditure, including both ISP projects in the Mid North and BAU capex in the next revenue proposal.

ElectraNet indicated that it will ask the CAP to provide its views on capex forecasts for its Revenue Proposal and engagement on the potential ISP Projects.

The CAP agreed that this warrants more detailed engagement and that a co-design process should be conducted to establish the CAP's involvement in both processes.

**ACTION:** ElectraNet to arrange a co-design workshop in July to develop the approach to CAP engagement on both ISP projects and the development of the revenue proposal.

### 6. South Australian Energy Transformation (ENA conference)

James Brown, Head of Network Strategy, SAPN & Hugo Klingenberg, Manager Network Transformation presented a condensed version of what was presented to the ENA Conference in Adelaide on 20 March 2024.

The CAP raised the following statements/questions following the presentation:

#### 1. Are there any thoughts on how we combine Government incentive to network planning?

The Energy Trust of Oregon's approach involves incorporating pricing directly into the network, along with consumer incentives. SAPN is actively engaged in enhancing energy efficiency and facilitating the shift towards electrification.

Advocacy efforts are focused on creating the optimal environment for investment, ensuring that grid enhancements align with goals. It's important to exercise caution when making long-term investments in distribution infrastructure, especially considering potential fluctuations in demand. Adopting a scenario-based planning approach is essential. On the other hand, there's also a push to integrate specific requirements into regulatory frameworks, thereby ensuring a more comprehensive and integrated approach.

#### 2. CAP member noted it is great to see distribution and transmission working together. Should we be advocating change in technical standards to require grid forming technical standards in a household level?

- System strength is the key component that needs to be managed.

Advocating for changes in technical standards to require grid-forming capabilities at the household level could be beneficial, especially in managing system strength effectively. Grid-forming technologies at this level could enhance stability and resilience in the overall grid, potentially improving reliability and performance. However, such changes would

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need consideration of technical feasibility, cost implications, and regulatory frameworks to ensure practical implementation and alignment with broader energy goals.

SACOSS is focused on the challenges faced by low-income earners who are unable to afford renewable energy technology. Rooftop solar installations have led to increases in energy prices, impacting the wholesale market. Many customers are unable to access CER and consequently bear high network costs.

SACOSS is advocating for transparency regarding the proportion of network costs by households, particularly those with limited access to CER benefits.

There is a need for new metrics and data collection methods to capture usage for households who can't afford, solar, batteries etc. SACOSS is asking for a reassessment of pricing structures to address income recovery costs related to network usage.

SACOSS are seeking data from SAPN that is not average households but rather with and without solar/batteries for different demographics.

**ACTION:** James Brown from SAPN has acknowledged the comments and will look into getting access to more customer data to understand changing consumptions for different demographics.

### Action Items

No	Action	Responsible
1	ElectraNet to send a high-level summary of the ISP actionable items to the CAP by the morning of June 26(day of the announcement). The possibility of a breakfast briefing was suggested and will be confirmed directly with the CAP members.	CH/AM
2	ElectraNet to arrange a co-design workshop in July to develop the approach to CAP engagement on both ISP projects and the development of the revenue proposal	CH/AM
3	ElectraNet to arrange a meeting with the CAP & ENA to discuss social license research slides	CH/AM



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## ATTACHMENT 1

<b>ATTENDEES</b>	
<b>Name</b>	<b>Affiliation / Title</b>
<b>Members</b>	
Leanne Muffet	Independent Facilitator
Andrew Richards	EUAA (online)
Estha van der Linden	Ai Group (apology)
Georgina Morris	SACOSS
Craig Wilkins	Consumer Representative
Greg McCarron	Central Irrigation Trust
Mark Henley	Consumer Representative (apology)
Rebecca Knol	SACOME
Simon Maddocks	Primary Producers SA
Yarik Turianskyi	Chamber of Business SA
Vikram Kenjle	University of Adelaide (online)
<b>ElectraNet</b>	
Simon Emms	Chief Executive Officer
Claus Repenning	Executive Corporate Development
Simon Appleby	Head of Corporate Affairs
Jeremy Tustin	Manager Regulation
Chris Hanna	Senior Advisor Government Relations
Hugo Klingenberg	Manager Network Transformation
Alycia Martin	Stakeholder Coordinator
Nicola Buley	Executive Legal Risk and Governance
Michael Bails	Lead Land and Approval
<b>External Representatives</b>	
James Brown	Head of Network Strategy, SAPN