

# Meeting Minutes

## Consumer Advisory Panel Meeting #32

<b>Date:</b>	Thursday, 22 February 2024, 10:00am – 12:30pm
<b>Meeting Objectives:</b>	<ul style="list-style-type: none"><li>• Continue to collaborate with the CAP in seeking timely transmission solutions</li><li>• Further engage with the CAP on our annual planning cycle and key priorities</li><li>• Share insights from the National Consumer Forum</li></ul>
<b>Attendance:</b>	Refer Attachment 1

### 1. Welcome + General Updates

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

Vikram Kenjle was noted as an apology. The minutes of the meeting held on 20 November 2023 and workshop held on 18 January 2024 were accepted.

Leanne and Simon Emms, CEO of ElectraNet, provided the following updates:

- Simon Emms expressed his gratitude to the CAP for its submission on the draft ISP. The submission has significantly influenced AEMO and was shared with the SA Government.
- Leanne thanked CAP Members, in particular Simon Maddocks, Andrew Richards and Vikram Kenjle, for their input to the submission.

It was noted that AEMO is calling for expressions of interest for the next ISP Consumer Panel for 2026, with responses due by 8 March 2024.

- The CAP noted that various agreements were being put in place between States, but the risk to South Australia remains if other States do not deliver their energy policies on time.
- The CAP also noted that the new SA network planning and forecasting function is designed to provide additional advice on the reliability outlook and to identify potential issues. It noted this this function needs public consultation but has excluded consumer advocates to date. ElectraNet suggested the SA Government could brief the CAP on this function.
- The CAP also noted that there are two paths at present – the optimal development path identified by AEMO and State-based plans. A risk is that consumers pay twice.

Simon Appleby, Head of Corporate Affairs, provided an Inertia Service update:

- The 2022 Revised Revenue Proposal included costs for inertia services ElectraNet must provide in the event of the South Australian network being 'islanded'. These costs are 'passed through' meaning they are later trued-up for actual costs incurred.
- On the advice of the CAP, ElectraNet included the expected costs in its forecasts to minimise price volatility for customers. An allowance of \$8.15m was approved for FY25.

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- AEMO has now reduced the inertia requirement from 360 MW to 50 MW, leading to reduced annual costs of around \$2m.
- ElectraNet has submitted an application to the AER to reduce its revenue allowance for FY25 to pass this reduction back to customers up front, consistent with the CAP's advice.
- The CAP identified inertia as a topic for a further briefing at a future meeting, including the providers of the service and operation of the new market for fast frequency response.

**ACTION ITEM:** ElectraNet to provide an update on AER application for inertia service costs.

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

### Action Items (from previous meetings):

1. ElectraNet to circulate the updated CAP meeting schedule proposed for 2024 – complete
2. ElectraNet to provide the Board's response to the CAP on the Annual Report – complete
3. ElectraNet to arrange a time for a deep dive or workshop on system strength for interested CAP Members – complete
4. ElectraNet to arrange a workshop to explore the outcomes of AEMO's draft ISP and next steps with interested CAP Members – complete
5. Business SA to be provided with relevant information on supply risks and potential for outages in the coming summer – in progress
6. Reconciliation Action Plan to be sent to CAP Members – complete

## 2. Annual Planning Cycle and Key priorities

Chris Hanna, External Relations Lead, outlined the key milestones and activities for the next 12 months and sought input on the areas of greatest interest to the CAP. Key items as follows:

- Over the past year, ElectraNet has been heavily engaged in discussions about the revenue proposal, responded to the ISP, and created the CAP annual report.
- Moving forward, ElectraNet and the CAP have agreed to engage on the annual planning cycle and to provide meaningful input to this process.

The following questions were raised with the CAP for ongoing feedback:

1. *What are the priority areas for the CAP over the next 12 months?*
2. *How would you like to engage with us on these issues?*

Rainer Korte, Chief Operating Officer, presented on the ElectraNet Network Transition Strategy:

- The Strategy provides a pathway and framework for working with customers and stakeholders to manage the challenges and opportunities of the energy transition.
- The Strategy supports the core objectives of safety, affordability, reliability, and sustainability, and is underpinned by three key themes:
  - a) Energy reliability - Delivering a capable transmission network.
  - b) Security and Resilience – Maintaining a secure and resilient power system.
  - c) Operability – Managing increasing system complexity and risk.

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- The Strategy replaces the Network Vision and sets out the actions required over the next 5-10 years and beyond to enable the clean energy transition and ensure South Australia's transmission network continues to operate safely and securely to deliver reliable, affordable, and sustainable electricity supply.
- The target audience includes ElectraNet staff and external customers and stakeholders.

The following questions and comments from the CAP arose from the presentation:

- Customers are seeing big price increases. Greater prominence should be given to affordability.
- The final document should be clearer on the purpose of the strategy and its audience.
- Delays are being encountered in the delivery of Project EnergyConnect in NSW. This reinforces the need to be early rather than late with transmission investments.
- How does the Strategy fit with the Transmission Annual Planning Report (TAPR) and other planning processes?
  - The TAPR is an annual network planning document whereas the Network Transition Strategy provides an ongoing framework for ElectraNet's priorities, plans and activities for navigating the clean energy transformation.
- ElectraNet is taking the lead in planning its 'swim lane'. The CAP supports this proactive approach and encourages ElectraNet to be aware of what is going on in the other swim lanes.
- As a state level energy transition roadmap has not yet been developed, the CAP sees it as even more important that ElectraNet is proactive in the network space for South Australia.
- Who has decided we are going to 100 percent new renewable? Is it optimal from an affordability and industry perspective?
  - This is the policy target set by Federal Government within which ElectraNet operates.
- The CAP is interested to further understand the key inputs and assumptions underpinning the planning process and to engage on these.
- There needs to be a greater focus on who pays. If there is less energy this means higher unit costs. It needs to be an affordable and equitable transition.
  - ElectraNet's analysis shows that if the level of energy in the current forecasts eventuates, this will drive down unit prices as network costs are spread over a larger base.
- ElectraNet plans to publish the Network Transition Strategy in March. It will share it with the CAP and its Board and Executive in parallel for any feedback before it is finalised.

### Capital program

A brief update was also provided on ElectraNet's capital program, including priorities under the Regulatory Investment Test for Transmission (RIT-T) and key changes based on emerging risks.

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- It was noted that these changes do not involve new obligations or service requirements, but stem from emerging asset risk issues that need to be prioritised within the capital program.

**ACTION ITEM:** ElectraNet to share the Network Transition Strategy for feedback prior to release.

### 3. Energy Consumers Australia Forum

Leanne Muffet, Craig Wilkins, CAP Member, and Alycia Martin, Stakeholder Coordinator, attended Energy Consumers Australia's 2-day Foresighting Forum in Sydney on 14-15 February 2024.

The conference focused on the rapid shift to renewables, the move to electrify homes and communities, investing in consumer energy resources, and supporting businesses and the community to alter energy usage habits. The conference provided insights from leaders in the industry, including both interstate and international perspectives. Key themes discussed at the conference included:

- Energy systems undergoing a period of accelerated and significant change.
- There is a big push/ pull to transition to renewables, driven both by market demands and environmental imperatives.
- There is growing investment in consumer energy resources.
- Some consumers are actively adapting their energy consumption patterns and practises.
- The need for trust, transparency and simplicity of messages and processes to and for customers and the importance of energy as a basic human right. Simplifying processes for customers to implement changes is key to facilitating the transition.
- The case of Energy Trust of Oregon (USA) was a central theme at the Conference. The nonprofit Trust, funded through customer utility bills, helps communities to reduce energy costs and put in place practices to move toward clean energy.
- Split incentives for renters and landlords to assist in the energy transition. Initiatives included solar energy gardens or subscription models to allow renters to invest in solar arrays and receive credits on their electricity bills.
  - As an example, Rewiring Australia is introducing incentives including the opportunity for customers to buy electricity now and pay later.
- The importance of marketing, community engagement and policy adaptation to drive energy efficiency and equity initiatives. The ACT Government's "Make Your Next Choice Electric" campaign is a clear example, offering free energy bill assessments and promoting the transition to electric homes.

### 4. Other Business

Yarik Turianskyi presented the South Australian Business Chamber's **Survey of Business Expectations** for the December quarter 2023. Key results relating to energy included:

- Most stakeholders believe that State and Federal Governments have not adequately planned for the energy transition, undermining confidence in the transition.

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- In 2023, the majority of South Australian businesses experienced increases in electricity prices of 20-30% or more. Rising costs and grid stability remain the key concerns, with a low level of interest in whether SA meets net zero commitments.
- The most supported energy sources are solar and wind, with natural gas, hydrogen and nuclear energy also receiving strong support. Customers want cheaper and reliable energy into the future and are open to the options.

**ACTION ITEM:** Yarik to share the full quarterly business survey results with CAP Members.

Rainer Korte, Chief Operating Officer, presented an update on the recent **Victorian Power Outages**. Key points included:

- A significant power outage occurred on 13 February 2024 in Victoria marked by the collapse of six 500 kV transmission towers and subsequent disconnection of major generating units and wind farms due to severe weather conditions. This event was triggered by strong winds which appear to have exceeded the design ratings of the towers.
- The outage impacted over 500,000 residential and business customers and 2,700 MW of generation capacity was lost, with an additional 1,000 MW of load “shaken off”. AEMO responded by implementing 300 MW of load shedding to manage the incident.
- Increasing diversity of supply through the integration of wind, solar and distributed customer energy resources, supported by transmission and storage, is expected to strengthen the resilience of the power system to such incidents in future.
- ElectraNet is considering the learnings from this incident for the South Australian transmission network. It is also sharing some transmission conductor to assist with the restoration.
- The CAP noted its concern over aging transmission lines and the possibility of such an event occurring again. Despite the system's rapid recovery within 45 minutes, the significant impact on supply remains a focal point for customers.
- The CAP emphasised the importance of understanding whether the age or construction of transmission towers is contributing to their failure, noting similar questions over the South Australian power outage of 2016.
- The CAP also noted that the Value of Customer Reliability (VCR) as a measure of lost supply needs to be approached in a measured way and there remains a place for off-grid supply.

The next meeting of the CAP is scheduled for 16 May 2024.

## Action Items

Item	Action	Responsible
1	ElectraNet to provide an update on AER application for inertia service costs	CH
2	ElectraNet to share the Network Transition Strategy for feedback prior to release	SA
3	SA Business Chamber to share the full quarterly business survey results with CAP Members	Yarik

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## ATTACHMENT 1

ATTENDEES	
Name	Affiliation / Title
<b>Members</b>	
Leanne Muffet	Independent Facilitator
Andrew Richards	EUAA
Estha van der Linden	Ai Group
Georgina Morris	SACOSS
Craig Wilkins	Consumer Representative
Greg McCarron	Central Irrigation Trust
Mark Henley	Consumer Representative (online)
Rebecca Knol	SACOME
Simon Maddocks	Primary Producers SA
Yarik Turianskyi	Business SA
<b>ElectraNet</b>	
Simon Emms	Chief Executive Officer
Rainer Korte	Chief Operating Officer
Claus Repenning	Executive Corporate Development
Chris Hanna	External Relations Lead
Simon Appleby	Head of Corporate Affairs
Alycia Martin	Stakeholder Coordinator
<b>Apologies</b>	
Vikram Kenjle	University of Adelaide