

Revenue Reset Reference Group

MONDAY, 1 APRIL 2025

Introductions

Leanne Muffet,
Independent Facilitator

Meeting Agenda

| | TIME | ITEM | PRESENTERS |
|----|----------------------|--|--|
| 1. | 10.00am (10 mins) | Introduction + Acknowledgement of Country | Leanne Muffet, (Independent Facilitator) |
| 2. | 10:10am (10 mins) | Revenue Reset Reference Group Engagement Plan | Bec Malhotra, + Jeremy Tustin |
| 3. | 10:20am (20 mins) | Revenue Reset 101 | Bec Malhotra + Jeremy Tustin |
| 4. | 10:40am (20 mins) | Learning from best practice + developing principles | Leanne Muffet + Chris Hanna |
| 5. | 11.00am (10 mins) | Short Break | All |
| 6. | 11.10am (30 mins) | Consumer Advocate | Mike Swanston |
| 7. | 11:40am (45 mins) | Ideas – what would you like to discuss? <ul style="list-style-type: none">• What are your expectations of ElectraNet?• What does good look like? | Facilitated discussion - All |
| 8. | 12:30pm (5mins) | Interface with other WG, CAP and ElectraNet Executive | Jeremy Tustin + ALL |
| 9. | 12:45pm (15mins) | AOB, Wrap up, next meeting | Leanne Muffet + Bec Malhotra + Jeremy Tustin |



Acknowledgement of Country

ElectraNet acknowledges
the Traditional Owners of
the land and waters on
which we operate.

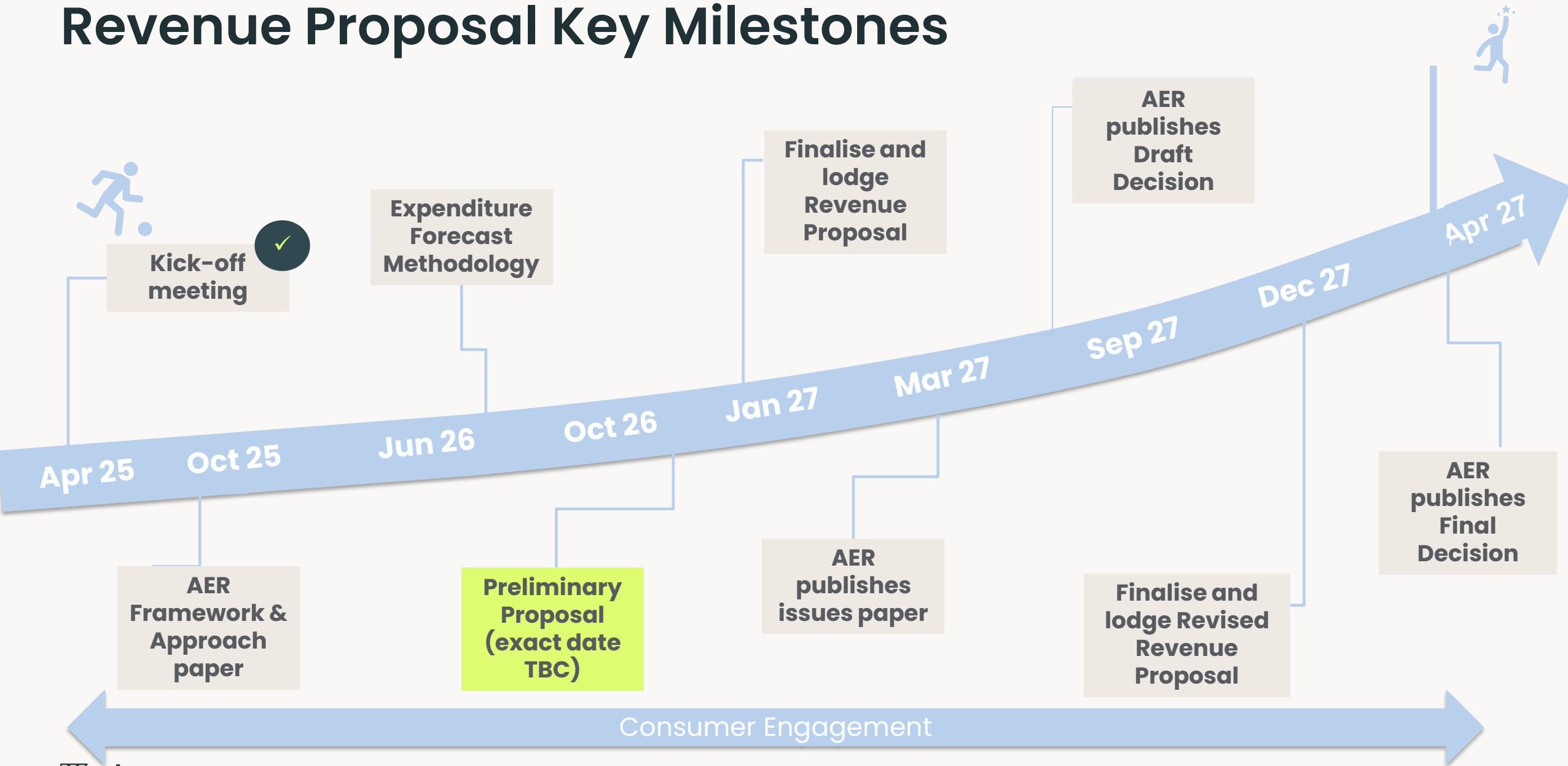
We pay our respects to
their Elders past, present
and emerging and extend
that respect to all other
Aboriginal and Torres Strait
Islander people of Australia.



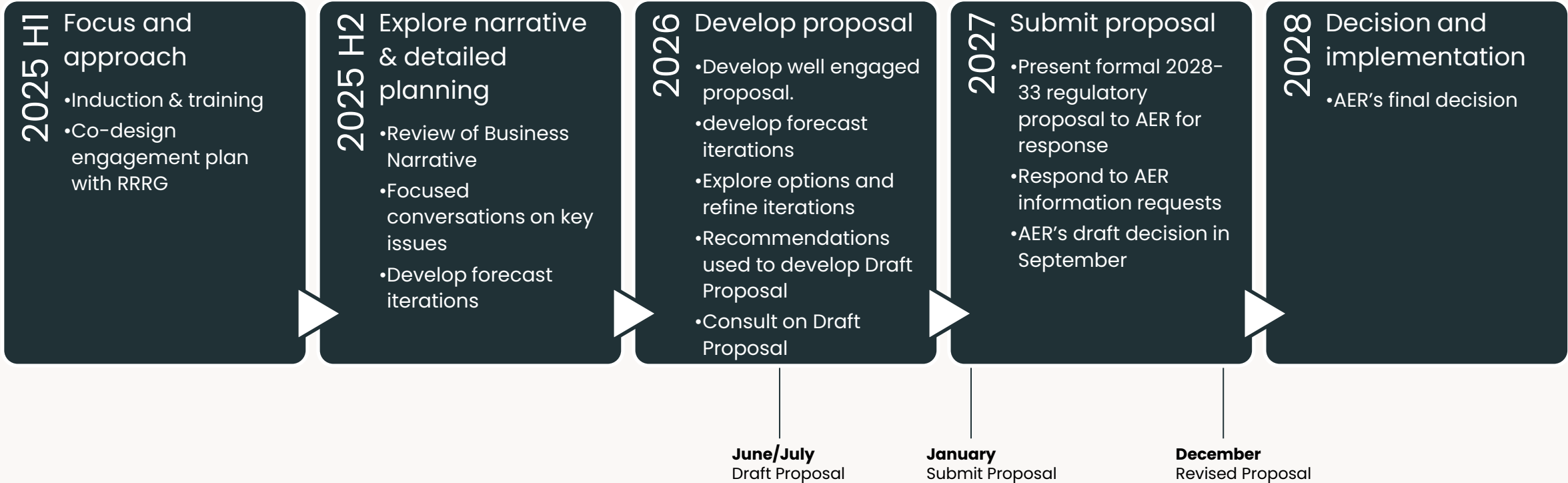
Revenue Reset RG process / program

Bec Malhotra, Manager Energy Regulation +
Jeremy Tustin, Head Regulation &
Corporate Affairs

Revenue Proposal Key Milestones



Engagement Plan high level draft



Revenue Reset 101

Bec Malhotra, +
Jeremy Tustin

The regulatory model puts customers at the centre

- Most businesses may charge, and spend, whatever they like
- If they overdo it and spend, or charge, 'too much' their customers go elsewhere
 - Competition gives most businesses an incentive to pursue efficiency
- We are regulated because we have no competition
 - We have a consumer advisory panel to feed back consumer preferences because our customers can't go elsewhere
- The AER's job is to ask one simple question
- The same question should guide our decisions

What would ElectraNet do if it had competitors?

It would make prudent and efficient choices and decisions based on what its customers want.

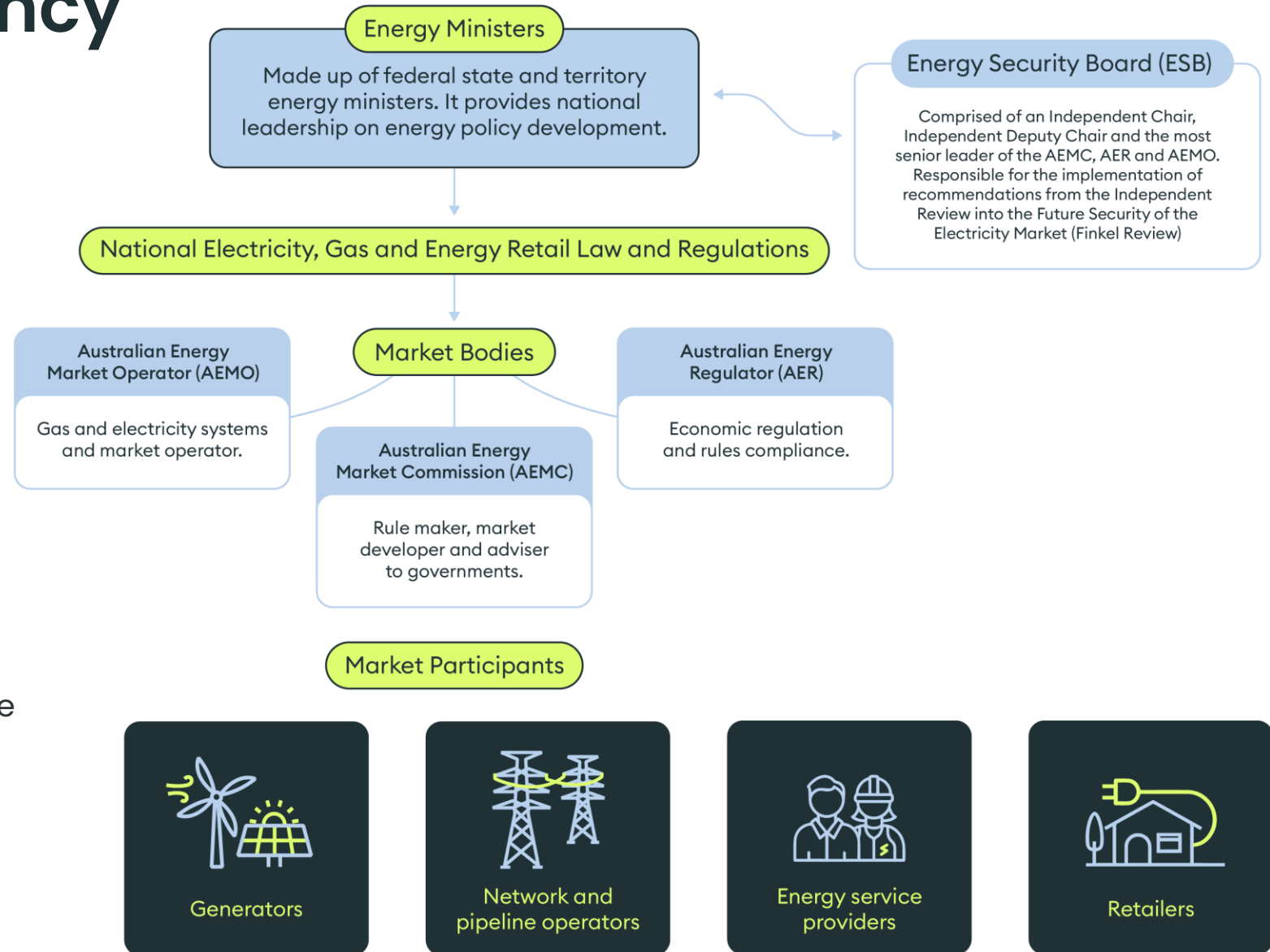


It's all about efficiency

National Electricity Objective

...to promote **efficient investment in, and efficient operation and use of, electricity services** for the long term interests of consumers of electricity with respect to:

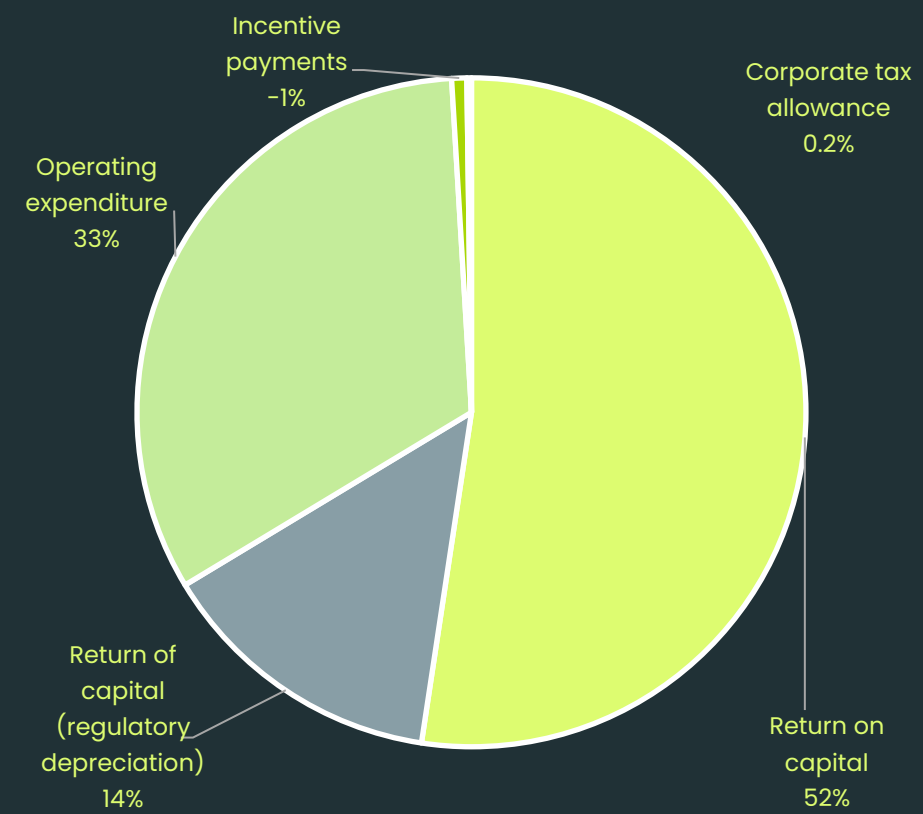
- a) price, quality, safety, reliability, and security of supply of electricity; and
- b) the reliability, safety and security of the national electricity system
- c) the achievement of targets set by a participating jurisdiction—
 - i. for reducing Australia's greenhouse gas emissions; or that are likely to contribute to reducing Australia's greenhouse gas emissions..



Revenue Setting Framework



Revenue by building block – FY24 to FY28



AER Objectives

Handbook Objective: ensure proposals focus on consumer needs and deliver better outcomes.

Consumer-centric focus

- Consider consumer needs in network investments
- Encourage networks to engage with consumers early

Value for Money

- Networks need to justify costs with clear consumer benefits
- Pricing should reflect consumer usage patterns

Transparency & Communication

- Networks to provide clear, understandable information
- Consumers get more insight into proposals

Strengthening Consumer Involvement

- Encourage active consumer participation in decision-making
- Feedback shapes network proposals

Future-Proofing

- Adapt network planning for new technologies and changing needs.

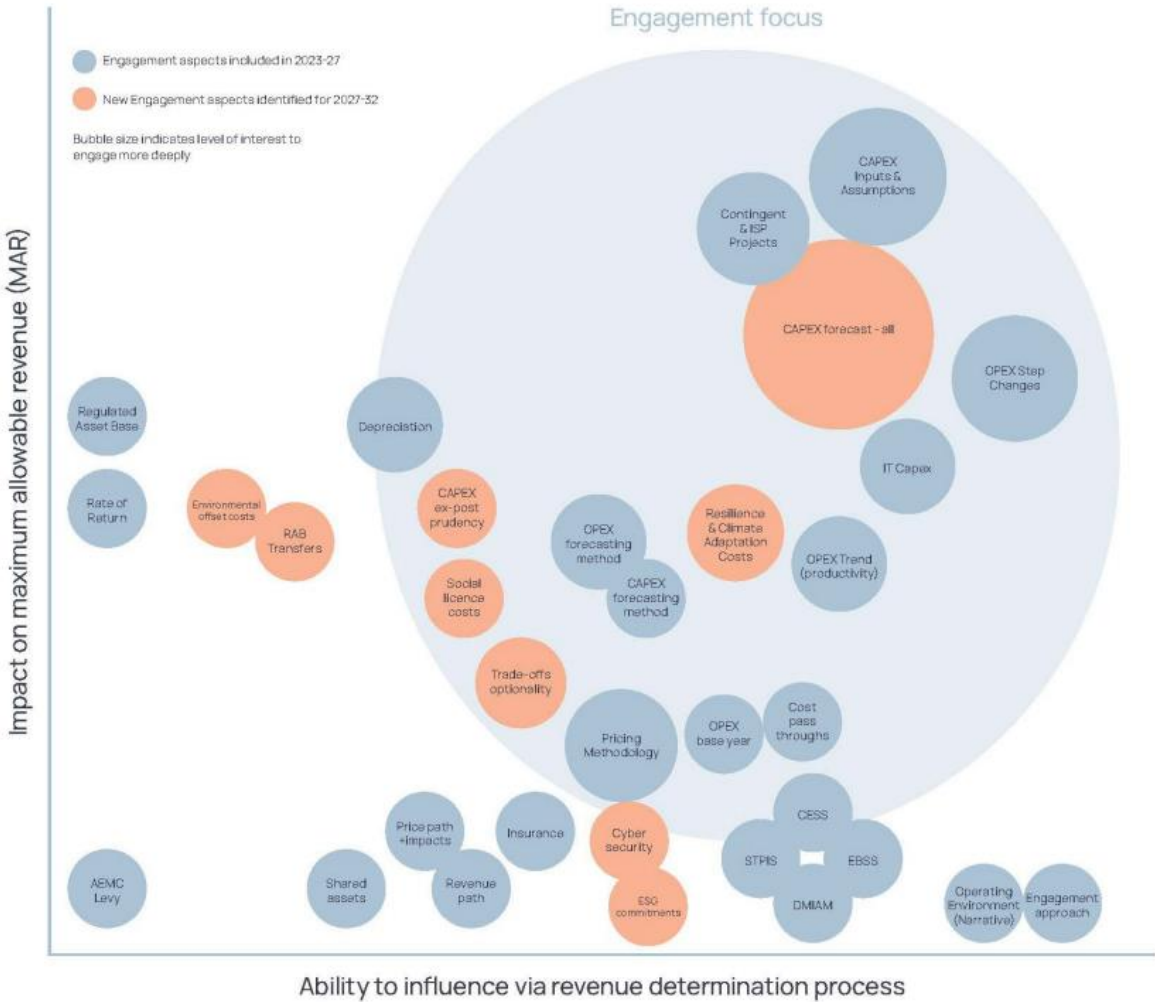
Better Resets Handbook Towards Consumer Centric Network Proposals

July 2024



Engagement Focus Area:

Ability to influence and the impact to revenue



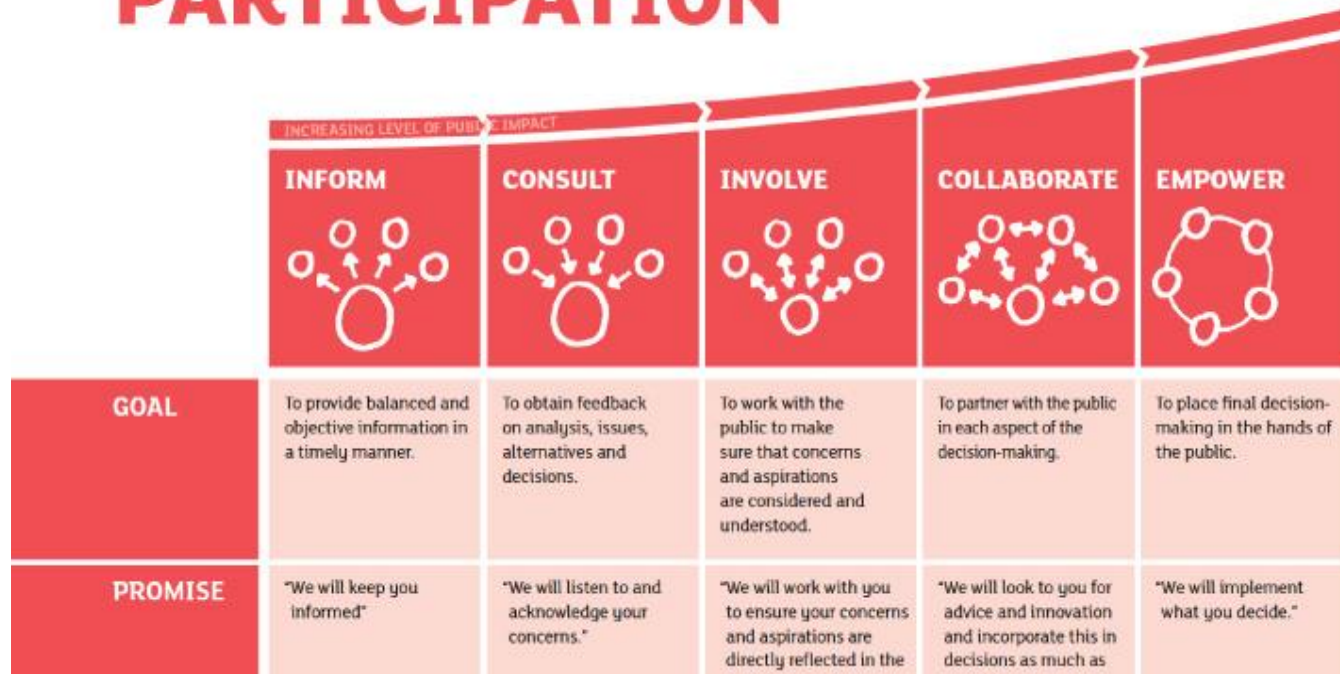
Learning from best practice & developing principles

Leanne Muffet +
Chris Hanna, Manager Corporate Affairs

IAP2 SPECTRUM OF PUBLIC PARTICIPATION

Learning from
Best Practice:

IAP2 (International Association of Public Participation)



IAP2 [International Association of Public Participation]



The IAP2 Spectrum outlines **five levels of public participation**, each with increasing levels of public / 'STAKEHOLDER' influence:



INFORM: Providing information to the public / stakeholders.
(e.g., project updates, energy efficiency tips)

Very common in the energy sector.



CONSULT:
Obtaining public / stakeholder feedback on analysis, alternatives, and decisions.
(e.g., surveys, public meetings)

Essential for energy infrastructure projects and policy development.

IAP2 [International Association of Public Participation]



INVOLVE: Working directly with the public / stakeholders throughout the decision making to ensure that public concerns and aspirations are consistently understood and considered. (e.g., workshops, advisory committees)

Crucial for complex energy projects with significant social and environmental impacts.



COLLABORATE: Partnering with the public / stakeholders in each aspect of the decision, including the development of alternatives and the identification of the preferred solution. (e.g., joint planning processes, community energy projects)

Increasingly important for renewable energy projects and community energy initiatives.



EMPOWER: Placing final decision-making in the hands of the public / stakeholders. (e.g., community-owned energy projects)

Relevant for local energy initiatives and community-driven projects

Revenue Reset Considerations

Stakeholder engagement in a REVENUE RESET process is particularly important as the process impacts cost for consumers and the outlook for energy infrastructure.



Key considerations include:

- Early and proactive engagement
- Provision of clear information about process, timelines and key issues
- Ensuring complex financial and technical information is accessible
- Using plain language and others communication channels
- Provision of opportunities for stakeholders to ask questions and seek clarification



** The incorporation of an Advisory Group / Reference Group can play a key role in this

Learning from
Best Practice:

... Areas of focus over coming months

As a starting point... Over coming months, it will be useful to explore, understand and comment on the following:

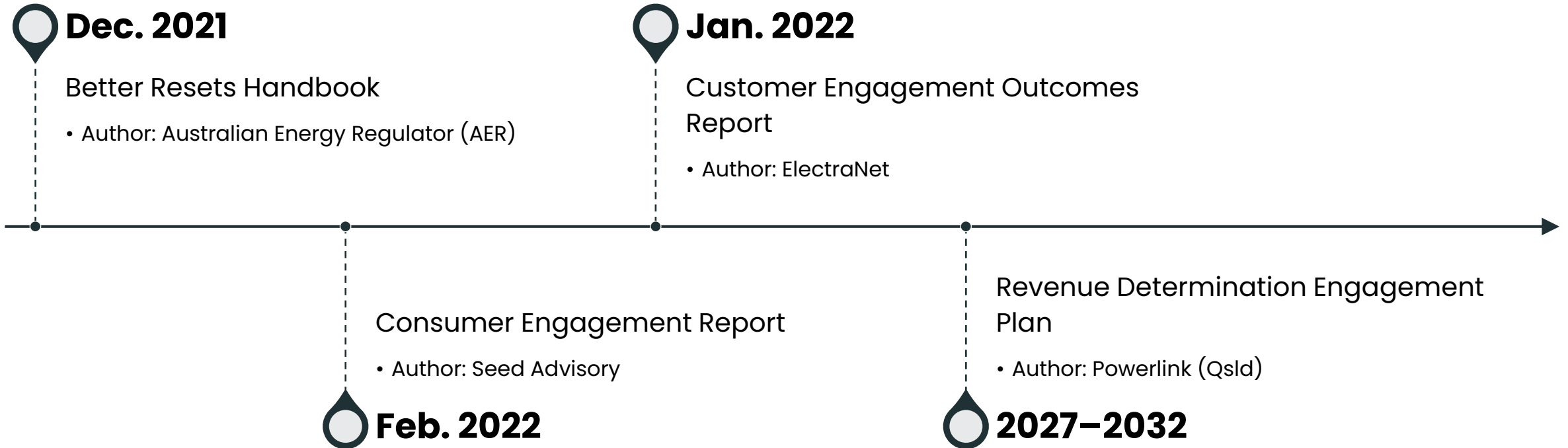
- clear and detailed justifications for proposed expenditures
- demonstration of how expenditures will benefit customers/ consumers
- highlight efforts to improve efficiency and control costs
- defining how the revenue reset will support network reliability and resilience
- address concerns about potential outages and disruptions

OTHER THOUGHTS ???

Questions

- Who are the key stakeholders?
 - How might we like to engage with them?
 - What do you consider to be 'good' engagement?
- How will project information be conveyed? To whom?
- How important do you think specific issues are likely to be (EG sustainability, cost, risks, technologies)?
- Other thoughts ...

Useful documents / resources

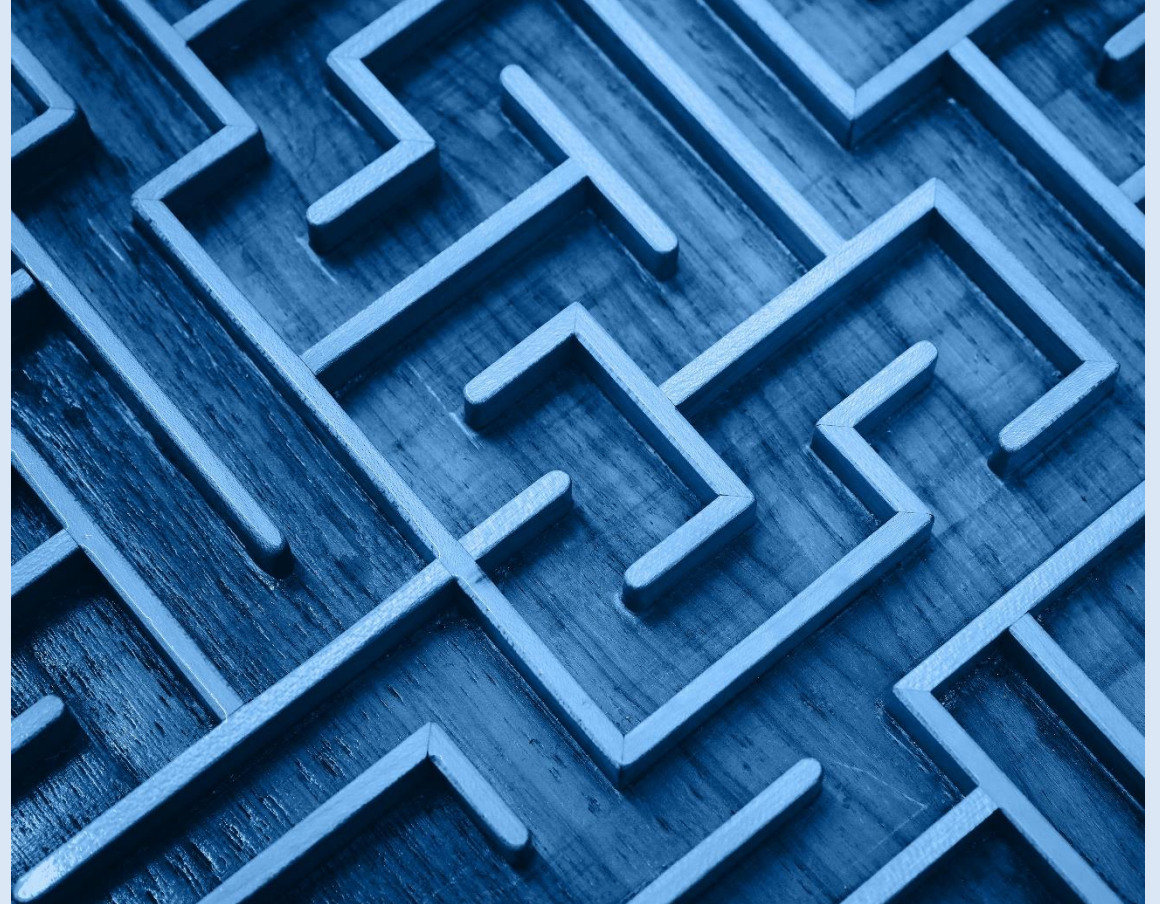


Defining the principles of the RR RG

By “principle” we are referring to the ways in which the group wishes to behave, communicate and function eg:

- Clear purpose and mandate
- Evidence based decision making
- Ability to influence the outcome

COMMENTS and or OTHERS ??



Break

Consumer Advocate

Mike Swanston
National Consumer Advocate

Ideas

Leanne Muffet + ALL

IDEAs : 5 x questions

1. What issues would you like to discuss now and in future meetings?
 - Developing a program of works
2. What are your expectations of ElectraNet?
3. What does “good” look like?
 - What would success look like?
 - What metrics do we want to use?
4. What have we missed?
5. Concerns and /or other thoughts

Interface with other RG, CAP and Executive

Jeremy Tustin + ALL



Thank You

For more information please contact:

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Or

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