

# Powerlink's Customer Panel Meeting

20 September 2018



- Welcome and introductions
- Customer Advocacy role & Customer Panel Terms of Reference
- Update on RIT-T for replacement projects
- Update on AER's Rate of Return Guideline Review & Transmission Pricing Consultation
- The Energy Charter
- Afternoon tea
- Transmission Network Vision
- Optional – visit to Emergency Response Room

# Customer Advocacy role & the Panel's Terms of Reference

Gerard Reilly  
General Manager Communications  
&  
Narelle Fortescue  
Senior Customer Advocacy Specialist



- Narelle Fortescue – new Senior Customer Advocacy Specialist
- Embedding customer focus in everything we do
- First steps are all about understanding:
  - Powerlink and the industry
  - Our different customer groups and their needs
  - Progress to date and opportunities

## **Key updates for consideration**

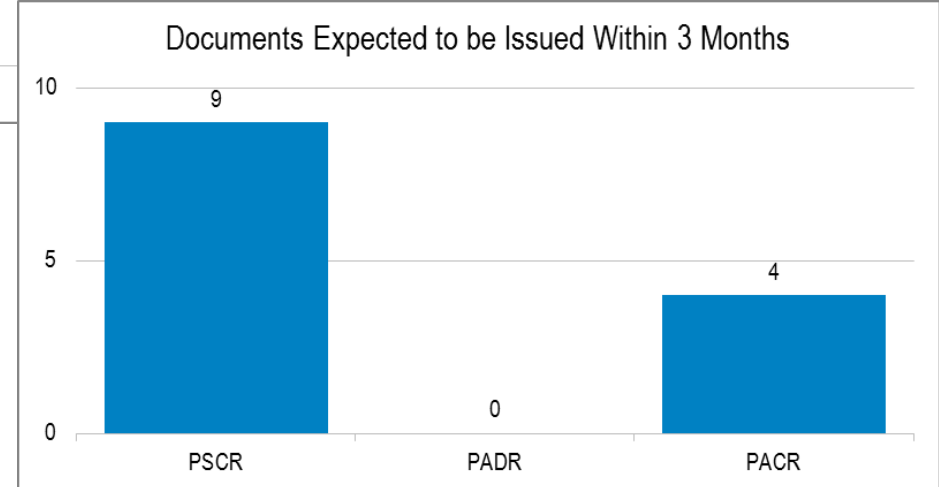
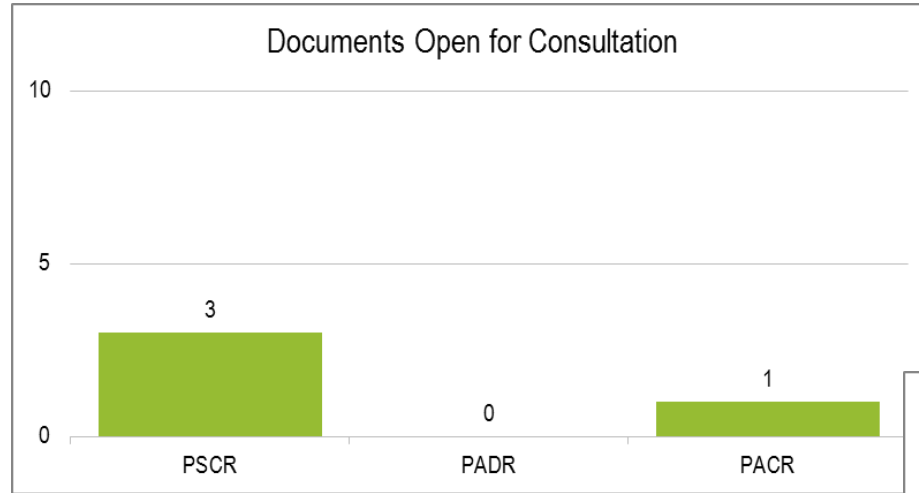
- Last reviewed December 2016
- Panel's name change
- Creation of Energy Queensland
- Changing composition of panel members (i.e. directly connected customers and industry associations)
- Confirm total membership number



# Update on Regulatory Investment Test for Transmission (RIT-T)

Roger Smith  
Manager Network & Alternate Solutions





Engagement level	Project characteristics	RIT-T consultations (expected within 3 months)	Proposed engagement activities
Minor (PADR Exempt)	<ul style="list-style-type: none"> <li>• Non-network options unlikely</li> <li>• No material market benefits identified</li> <li>• Preferred option &lt;\$41 million</li> </ul>	<ul style="list-style-type: none"> <li>• Townsville Primary Plant</li> <li>• Bouldercombe Primary Plant &amp; Transformers</li> <li>• Abermain Secondary Systems</li> <li>• Ross Primary Plant &amp; Transformer</li> <li>• Woree Secondary Systems</li> </ul>	<ul style="list-style-type: none"> <li>• Notification to Powerlink Non-Network Engagement Stakeholder Register</li> <li>• AEMO Notice and summary</li> <li>• Publication of RIT-T project details on Powerlink website</li> <li>• Dedicated email contact to Customer Panel members</li> <li>• Alerts through Powerlink's Twitter and LinkedIn accounts</li> </ul>
Normal	<ul style="list-style-type: none"> <li>• Minor network reconfiguration / material impact on network users</li> <li>• Possibility of non-network options</li> <li>• Material market benefits identified</li> </ul>	<ul style="list-style-type: none"> <li>• Kamerunga Primary Plant &amp; Secondary Systems</li> <li>• Egans Hill – Rockhampton Transmission Line</li> <li>• Brisbane Metro Transmission Lines</li> </ul>	<p>In addition to engagement activities at minor level:</p> <ul style="list-style-type: none"> <li>• Webinars</li> <li>• Stakeholder briefings</li> <li>• Discussion at Powerlink's Customer Panel</li> </ul>
Complex	<ul style="list-style-type: none"> <li>• Network reconfiguration / material impact on multiple network users</li> <li>• Likelihood of non-network options</li> <li>• Significant market benefits identified</li> </ul>	<ul style="list-style-type: none"> <li>• North Queensland Transmission Lines</li> </ul>	<p>In addition to engagement activities at normal level:</p> <ul style="list-style-type: none"> <li>• Stakeholder engagement plan being finalised</li> <li>• Phone calls to key stakeholders advising of forthcoming PSCR</li> <li>• Emails to all identified stakeholders prior to publication of PSCR</li> <li>• Dedicated engagement forum to seek feedback on options</li> </ul>



# Improved clarity of key elements of consultation



secondary  
systems



\$6 million



5MW demand  
management



transformer  
replacement



local  
generation



primary  
equipment



battery  
storage



transmission  
line refit

- 'Business as Usual' base case provides for taking no corrective action, but quantifying the impacts arising to determine economic timing of work
- Change to current practice adopted by Powerlink
- Credible options must comply with all relevant legal obligations and mandated services
- Most likely outcome is for reliability corrective actions to minimise the net present cost of the credible options (compared to base case).

- Powerlink and TransGrid are starting the detailed work on increasing the capacity of the QNI
- Expect to commence a RIT-T process when preliminary analysis complete
- Includes extensive consultation as we provide opportunity for input to ensure it represents the best value for customers.

# Update on AER's Rate of Return Guideline Review & Transmission Pricing

Jenny Harris  
General Manager Network Regulation



## Process

Timeframe (2018)	Milestone
Mid-July	AER Draft Rate of Return (RoR) Guideline released
2 August	AER Public Forum
7 September	Independent Panel Report (IPR) released
24 September	Submissions on Draft Guideline and IPR close
December	AER Final RoR Guideline released

## Update

- Webinar – other directly connected customers and large distribution customers
- Initial discussions with Queensland DNSPs
- Initial discussions with TNSPs
- Consultation Paper – expected release around October/November



# The Energy Charter

Matthew Myers  
Government Relations Manager



1. Introduce The Energy Charter and outline Powerlink's involvement.
2. Detail The Energy Charter's customer-focused principles and potential disclosure and accountability framework.
3. Seek your input on:
  - a) The draft principles, and which ones Powerlink should focus on.
  - b) Potential metrics and measures, which will form our disclosure.

- First whole-of-sector initiative to address customer expectations.
- 15 energy businesses from across the supply chain involved.
- The vision: **Together, deliver energy for a better Australia.**
- The **Industry Working Group** has developed the draft Energy Charter principles and accountability regime for consultation.
- Development occurred in consultation with consumer and business representatives through an **End-User Consultative Group.**
- **Energy Consumers Australia** is playing a leadership role in the development of the Charter.

# How will it work and participants to date



**energen**

**yurika**



# Charter delivery timeframes



**February  
2018**  
Work begins

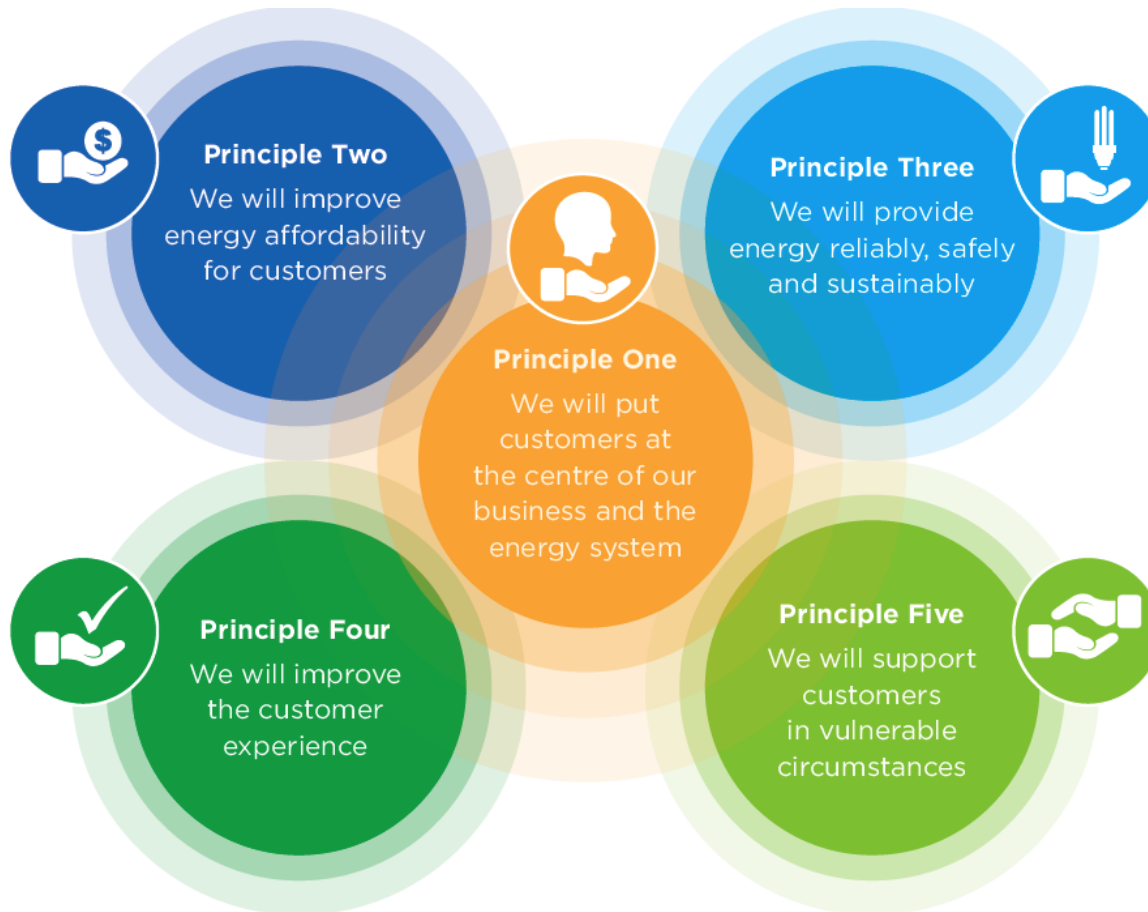
**19 Sept – 17  
Oct 2018**  
Public  
consultation

**Dec-Jan  
2018/19**  
Charter  
finalised and  
released

**Mar 2019**  
Maturity  
assessment  
released

**By end Sept  
2019**  
Disclosures  
due

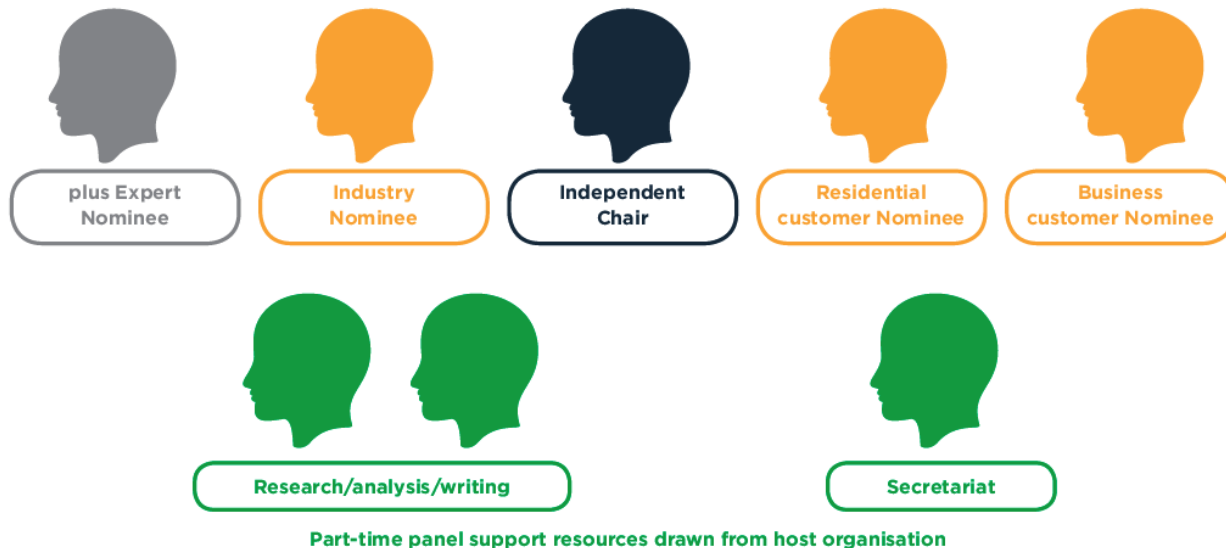
**Nov 2019**  
First panel  
report





- We recognise it is critical that energy businesses are transparent and accountable to their commitments to The Energy Charter.
- The strong feedback from the EUCG is that a robust, independent accountability framework is needed.
- Disclosures will also measure entities against a maturity model.
- Powerlink has a range of measures to consult with the Customer Panel on which we believe are suitable measures against Charter principles.

# Potential Accountability Framework



- 3-5 person independent panel.
- Panel would be stood up during the disclosure review period.
- Panel would be hosted by an existing independent organisation such as Energy Consumers Australia.
- Panel would publish a report about how companies are going against Charter principles.

PRINCIPLE	DESIRED OUTCOME	INDICATORS AND MEASUREMENT TOOLS
1. Culture	<ul style="list-style-type: none"><li>• Demonstrated, embedded and aligned behaviours, practices and KPIs that drive customer-centric decision making.</li></ul>	<ul style="list-style-type: none"><li>• <b>Customer centricity score.</b></li><li>• Demonstrated examples of Powerlink driving customer-oriented behavioural change (e.g. Board activities related to driving a customer culture, adoption of customer as a value, customer training etc.)</li></ul>
2. Affordability	<ul style="list-style-type: none"><li>• Reduced energy costs.</li><li>• Investments are made appropriately and in the interests of the customer.</li><li>• Customers have greater control/input that guides decision-making.</li></ul>	<ul style="list-style-type: none"><li>• <b>Energy affordability score.</b></li><li>• Demonstrated examples of customer involvement in regulated investment decision-making.</li></ul>

PRINCIPLE	DESIRED OUTCOME	INDICATORS AND MEASUREMENT TOOLS
3. Reliability, safety and sustainability	<ul style="list-style-type: none"> <li>Operational reliability and safety</li> <li>Facilitation toward a decarbonised future.</li> </ul>	<ul style="list-style-type: none"> <li>Reliability score.</li> <li>Total Recordable Injury Frequency Rate (TRIFR) scores.</li> <li>Demonstrated examples of Powerlink working with customers to appropriately facilitate connections (i.e. safely, in a timely manner).</li> <li>Demonstrated examples of effective engagement with customers and stakeholders to deliver projects.</li> </ul>
4. Customer experience	<ul style="list-style-type: none"> <li>Energy companies that are easy and transparent to deal with.</li> <li>Customers are satisfied by the service they receive.</li> </ul>	<ul style="list-style-type: none"> <li>Social Licence to Operate (SLO) score.</li> <li>Customer Satisfaction (CSAT) score.</li> <li>Customer Effort score.</li> <li>Demonstrated examples of Powerlink working to improve customer interactions, service delivery and build SLO.</li> </ul>
5. Customers in vulnerable circumstances	<ul style="list-style-type: none"> <li>Ethical and sensitive responses across the energy supply chain to address customer hardship.</li> </ul>	<ul style="list-style-type: none"> <li>Involvement in appropriate programs and with other energy industry organisations to support customers in vulnerable circumstances.</li> </ul>

- All businesses to publish a maturity model assessment, benchmarking against a range of maturity measures and outlining improvement opportunities by end March 2019.
  - **Powerlink is proposing that it will work with the Customer Panel to undertake the maturity model assessment.**
- First disclosure statements to be published by end September 2019.
  - **Powerlink will share disclosure and seeking input from the Customer Panel prior to release of the disclosure document.**
- First accountability report to be published by the accountability panel by end November 2019.

- 1. What feedback do you have on the draft principles and which ones do you think Powerlink should focus on?**
- 2. What are your views on Powerlink's proposed measures for disclosure and comparison?**



Please send your feedback to **[emma.watts@theenergycharter.com.au](mailto:emma.watts@theenergycharter.com.au)** by 17 October 2018.

Feedback not marked as 'confidential' will be made publicly available on The Energy Charter website. Please indicate clearly if you would like your feedback, or any part of it, to be treated as confidential.

We welcome the opportunity to discuss the feedback with you directly. Please contact the Project Director, Emma Watts to arrange a direct briefing on The Energy Charter.

Afternoon tea break



# Transmission Network Vision

Daniel Andersen  
Manager Network Strategy



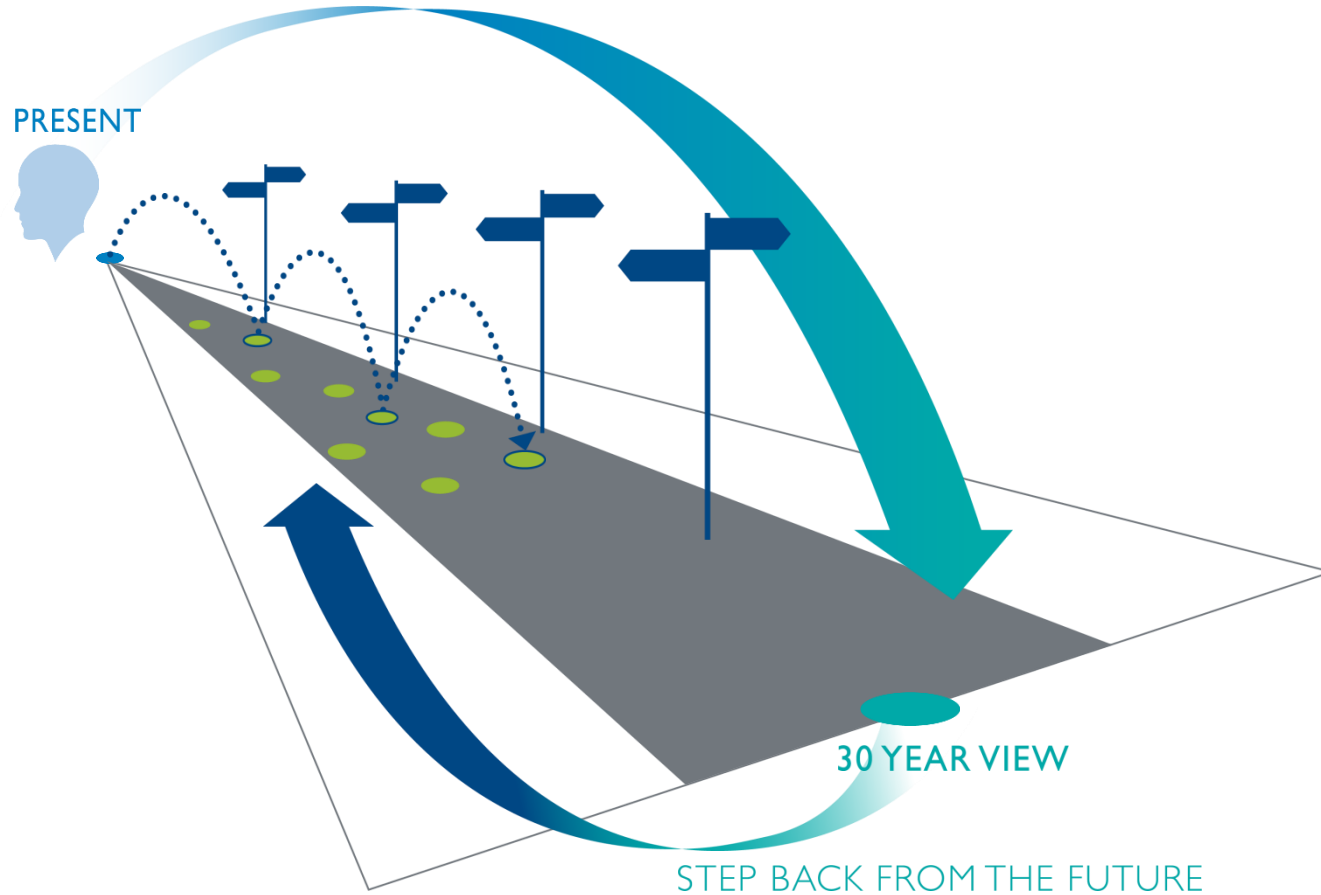
# Case for the Network Vision



Establish a Powerlink Network Vision to:

- **navigate through the uncertainty** of the industry transformation and to ensure that our transmission network continues to provide value and deliver services at the lowest cost to consumers into the future;
- **create a clear direction** for our stakeholders, our people and our customers and provide guidance in transforming Powerlink to meet the changing environment

The longer term vision is required as input into Powerlink's next Revenue Reset process and to inform and support other internal strategic processes.





# Customer at the centre



## Question 1

How are your customers' needs changing? Why is that?



How might the energy sector evolve to meet these changing expectations?



Thank you for your time and input.

*Optional – Tour of Powerlink's  
Emergency Response Room*

