



## Customer Panel Meeting Minutes

<b>Date:</b> Thursday 1 August 2019	<b>Start time:</b> 1pm	<b>Finish time:</b> 4pm	<b>Venue:</b> Whittaker Room Powerlink 33 Harold Street Virginia QLD 4014	<b>Meeting no:</b> 14
<b>Facilitator:</b> Gerard Reilly (Powerlink)		<b>Minutes:</b> Nicole Maguire and Kiara Bowles (Powerlink)		
<b>Attendees:</b> Liam Byrnes (Aurizon) Ian Christmas (Edify Energy) Chris Hazzard (St Vincent de Paul Society) David Hiette (BHP Billiton) Robyn Robinson (Council on the Ageing) Ayden Rye (Shell/QGC)  <b>Powerlink panel members:</b> Matt Myers (proxy for Jenny Harris) Simon Taylor (proxy for Chris Evans) Daniel Anderson (proxy for Norike Ganhao) Narelle Fortescue  <b>Powerlink observers (<i>part attendance</i>):</b> Julian Thomas	<b>Apologies:</b> Shelley Ashe (Energy Consumers Australia) Andrew Barger (Queensland Resources Council) Erin Bledsoe (Shell/QGC) Steve Straughan (Aurizon) Georgina Davis (Queensland Farmers' Federation) John Gardner (CSIRO) Mark Grenning (Energy Users Association of Australia) Sam Pocock (Energy Queensland)		<b>Powerlink presenters:</b> Stewart Bell Matthew Myers Roger Smith Gerard Reilly	
<b>Attachments will include all documents provided to panel members at the meeting including:</b> PowerPoint presentation and pre-reading documents				

Item	Discussion	Action	Due date	Who
1	<b>Welcome to Powerlink, introductions and overview of agenda</b> – Gerard Reilly, General Manager Communications			
2	<b>Acknowledgment of Customer Panel's contribution</b> – Merryn York, Chief Executive  Summary: <ul style="list-style-type: none"> <li>As outgoing CE, thank you to the Customer Panel for working with Powerlink over several years to guide decision-making and improve customer outcomes.</li> <li>It's been an interesting process to see the evolution of the panel's contribution. We are proud to have such an insightful and robust panel.</li> </ul>			
3	<b>Introduction to Customer Panel as incoming Interim Chief Executive</b> – Kevin Kehl, EGM Strategy and Business Development  Summary: <ul style="list-style-type: none"> <li>As incoming Interim CE, reaffirming Powerlink's ongoing commitment to engagement and working alongside the panel.</li> <li>Powerlink appreciates panel members' continued involvement and contribution to this important group.</li> </ul>			
4	<b>Update on RIT-T progress</b> – Roger Smith, Manager Network and Alternate Solutions  Summary: <ul style="list-style-type: none"> <li>Current RIT-Ts in progress and updates on timings</li> <li>Townsville to Clare South RIT-T progress (complex RIT-T)</li> <li>Improving the way we define the identified need and risk cost</li> </ul>			

Item	Discussion	Action	Due date	Who
	<p><b>Q:</b> Is there room to refine the non-network options you looked at for Townsville? If they haven't worked in this case, might they work better in other cases?</p> <p><b>R:</b> They were solutions we were aware of and we worked with one of the proponents who'd made an initial submission that fell short of requirements. They went back and refined the solution, which unfortunately still wasn't quite there, but we felt it was a good process to work through.</p> <p><b>Q:</b> Was there an opportunity for them get some learnings out of that process?</p> <p><b>R:</b> Yes, I think there was a learning on what information we need to give proponents up front. It was a quite useful process in the end on both sides.</p> <p><b>Q:</b> Do you think you're getting close to one of these (i.e. non-network solution) getting up?</p> <p><b>R:</b> We are getting close, we know something is going to get up at some stage soon. Fault levels are a significant issue at the moment. It's one of the things making it difficult to find a credible option.</p> <p><b>Q:</b> Are you talking about system strength and inertia, that type of thing?</p> <p><b>R:</b> Yes, that's right. We definitely learnt how to frame information in a more helpful manner to give better clarity up front.</p> <p><b>Q:</b> Is it in the document what triggered the Lilyvale works?</p> <p><b>R:</b> I'd call that a transitional one as it's not using the new language I mentioned. There is a condition trigger to do something in that case. The need in RIT-T terms is how are you going to manage that identified need. We refer to</p>			

Item	Discussion	Action	Due date	Who
	<p>the reliability standard, transmission authority, <i>Queensland Electricity Act</i> – there's a whole raft of regulations that we have to comply with. But we have to explain that in a clear and concise way.</p> <p><b>Q:</b> Are you asking if the trigger is condition based for Lilyvale?</p> <p><b>Q:</b> I'm interested whether it's triggered by a customer connection. Is it a connection for a major customer?</p> <p><b>R:</b> No, it's a replacement trigger.</p> <p><b>Q:</b> Are they only triggered by load, or can generation trigger a RIT-T as well?</p> <p><b>R:</b> We don't generally need to do a RIT-T for a generation connection, as a third party usually pays for the connection. However, if a generator connects there can be downstream impacts which might mean we need to consider a RIT-T in that case.</p>			
5	<p><b>Update on RIT-T process for expanding the NSW-QLD transmission transfer capacity</b>  – Stewart Bell, Executive General Manager Delivery &amp; Technical Solutions</p> <p>Summary:</p> <ul style="list-style-type: none"> <li>• The AER published a Guidance Note in July 2019. RIT-T analysis and consultation to focus on short-term upgrade options for QNI.</li> <li>• Working with the AER to meet revised timeframes – Project Assessment Draft Report (PADR) expected end September 2019.</li> </ul>			

Item	Discussion	Action	Due date	Who
	<p><b>Comments (C), questions (Q) and Powerlink response (R)</b></p> <p><b>Q:</b> Is there a business case to increase capacity into New South Wales (NSW)?</p> <p><b>R:</b> This RIT-T is looking at net market benefits and we are still performing the market modelling to look at the value.</p> <p><b>Q:</b> This was identified in the Integrated System Plan (ISP) as a priority one project wasn't it?</p> <p><b>R:</b> Yes, the AER has said 'please get going', so in order to meet their timeframes there's been a shortening of the process.</p> <p><b>Q:</b> Isn't the majority of work occurring in NSW?</p> <p><b>R:</b> Now that the RIT-T has been split into Group 1 and 2 projects, the majority of the Group 1 ISP projects are within NSW. We're still doing modelling to determine the preferred outcome and this will be included in the PADR to be published in September 2019.</p> <p><b>Q:</b> How does this align with Coordination of Generation and Transmission Investment (COGATI)? Or is it not generation driven so not falling within that review process?</p> <p><b>R:</b> This is not impacted by COGATI, as it falls within the existing rules. One option being explored by COGATI is do we want the generator to pay some of that cost? With COGATI we may have that option in future – you've chosen (the generator) to go to that area, so you need to fund that connection. The current market design is that consumers pay because consumers benefit. COGATI is about generators having the option of funding the network if they</p>			

Item	Discussion	Action	Due date	Who
	<p>choose to go to a certain location. We're currently working within the existing rules.</p> <p><b>C:</b> The real concern for consumers here is that Queensland consumers get to pay for something that benefits NSW consumers. Is that still the case?</p> <p><b>R:</b> We will benefit from additional capacity coming north, and there is a cost involved.</p> <p><b>C:</b> The RIT-T also looks at a NEM-wide view.</p> <p><b>C:</b> That's great as long as NSW consumers pay their share.</p> <p><b>R:</b> If most of the assets are going to be built in NSW, then they'll pay the bulk.</p> <p><b>Q:</b> So Queensland consumers won't pay in this case?</p> <p><b>R:</b> We're still undertaking market modelling to examine the maximum net market benefits across these options from a NEM perspective. Let's take the Marinus link example. If you want a \$2 billion connection from Tasmania to Victoria to keep the lights on in Victoria, does Victoria pay half and Tasmania pay half? You can see the difficulties here.</p> <p><b>Q:</b> Do the current rules give you flexibility, or are you playing a bit of catch up here?</p> <p><b>R:</b> It's fair to say we're playing a bit of catch up there.</p>			

Item	Discussion	Action	Due date	Who
6	<p><b>2023-27 Revenue Determination process – Draft Engagement Plan</b></p> <ul style="list-style-type: none"> <li>- Matthew Myers, Manager Revenue Reset</li> <li>- Gerard Reilly, General Manager Communications</li> </ul> <p>Summary of presentation:</p> <ul style="list-style-type: none"> <li>• Powerlink is committed to implementing an effective and efficient engagement approach to support the upcoming Revenue Determination process.</li> <li>• We are seeking to refine the Draft Engagement Plan with input from the panel to ensure it reflects the group's needs and expectations.</li> </ul> <p><b>Q:</b> You don't have any views on whether you're happy with the panel?</p> <p><b>R:</b> We've had feedback from other network businesses that our panel is pretty experienced. We have people on our panel who are extensively involved in engagement processes, so it might be that we have the skills we need already, but it's worth considering if there are any supplementary skills the group could benefit from.</p> <p><b>Q:</b> Does Powerlink have a view as an organisation that it needs to have different skills on the panel?</p> <p><b>R:</b> This question was driven out of the time and depth we'll need in our revenue proposal. If there's a particular area where we feel we need to dig down, we may need someone else to come on board to help us with that. We are mindful of drawing on the same people's time and knowledge.</p> <p><b>R:</b> I have no opinion on whether we need additional skills on the panel. I'm not aware of any massive gaps but we want to check with you all. For me an example where we might potentially need other skills is maybe in consumer engagement. We maybe need to look at getting expertise there to help us out.</p>			

Item	Discussion	Action	Due date	Who
	<p><b>Q:</b> I have some issues and questions. I'm a bit unsure of the role of the Customer Panel versus the role of a wider engagement group. I don't know whether the intention is to confine engagement to the panel, or widen to the broader group, or is it involvement from a reset working group that's broader again. Maybe that's about involving people who aren't normally on the panel, but have an interest in what's going on?</p> <p><b>R:</b> I think that's what it looks like in the deep dives. We can work with our panel, but have a working group that panel members are a part of. Maybe the panel's role is to help design and oversee the process, help build the narrative, but not be the sole group involved.</p> <p><b>Q:</b> So maybe we need to be more specific about the role of this panel?</p> <p><b>C:</b> Maybe the panel is our 'go to' for the front end, so we have initial discussions with you then take it to a wider group. There might be opportunities to have discussions with the panel about various aspects of the proposal, but we definitely want to look at involving others for other aspects.</p> <p><b>C:</b> The idea of a reset working group gives you the opportunity to incorporate people like Government representatives who wouldn't normally be on the panel.</p> <p><b>R:</b> We could put an invitation out to Government and other interested parties to see who's interested in participating and go from there.</p> <p><b>C:</b> We will also have a stand at the Transmission Network Forum for people to lodge interest in being part of the reset discussions.</p>			



Item	Discussion	Action	Due date	Who
	<p><b>C:</b> You all understand our business well, so we want your input into this process. We're keen on your guidance on should we engage deeply on this aspect here, or are there more important things to deep dive on.</p> <p><b>C:</b> I think we're saying the same thing, but it's just not clear in the draft engagement paper. To clarify, it sounds like you intend for the panel to play an oversight role and seek assistance as required from a more specific group.</p> <p><b>R:</b> We'll definitely do some work on clarifying the wording in the plan.</p>			
7	<p><b>Energy Charter Disclosure Statement - Statement from Customer Panel</b> - Gerard Reilly, General Manager Communications</p> <p>Summary:</p> <ul style="list-style-type: none"> <li>Powerlink is lodging its first Energy Charter Disclosure Statement by 30 September 2019, in conjunction with our Annual Report.</li> <li>It is intended to offer an authentic, 'warts and all' overview of where Powerlink can improve its customer focus to deliver better outcomes.</li> </ul> <p><b>C:</b> I got a bit caught up in the use of 'we' in the document. It swaps from a message from your Chair and CE, then the Customer Panel, but it was still talking about 'we' so I wasn't sure who it was meaning. It took a few reads back and forth.</p> <p><b>R:</b> We can amend this for clarity.</p> <p><b>Q:</b> I guess by saying we're happy with the statement at the front, we're saying we're happy with the text. So I had a few questions on parts of the document, particularly the use of a green arrow beside a survey result that shows 7<sup>th</sup> percentile but it's a result between one and 100. How is that an improvement?</p>	Provide the panel with more details on the opportunity for stakeholders to meet with the Independent Accountability Panel on 10 October 2019.	When times are released by the Accountability Panel.	Kiara Bowles

Item	Discussion	Action	Due date	Who
	<p><b>R:</b> We've already had feedback there and adjusted that to show the amber dot, to signal this result is 'stable'.</p> <p><b>Q:</b> There's mention of a complaints management system, but we've never seen that system. I'd just like to see it so I can confirm that reference. And you say the KPI has shifted to 80% for complaints, but don't mention that in the scorecard anywhere as a way of showing you're looking to improve.</p> <p><b>R:</b> We can send through some screen shots of our complaints management system, no problem.</p> <p><b>Q:</b> I'd also like to see information about the Innovation Framework that's mentioned. And also your corporate sustainability programs, and what you might be rolling out there.</p> <p><b>R:</b> I'll be honest in saying that's an area where we are probably light on, but we'll definitely look at what we can send through.</p> <p><b>C:</b> Information on landholders and community involvement would also be helpful to help better demonstrate how you work with a range of stakeholders.</p> <p><b>R:</b> Thank you for your comments. We've had very similar feedback from our Board and the Energy Charter Director Sabiene Heindl. We'll review these suggestions and send some information through to the panel.</p>	Email the panel with additional requested information to support their review of the Disclosure Statement.	Friday 2 August	Kiara Bowles
8	Meeting closed at 4.00pm			

## **Appendix A – Combined group discussion notes**

### **1. Do you have any feedback on:**

- **Overall engagement approach**
- **Engagement scope**
- **Engagement techniques**
- **Engagement schedule**

#### Comments:

- Clarify role of Customer Panel and who we are engaging with
- Regional representatives and “Reset Working Group”
- AER CCP → where do they fit?
- Being clear on whether your initial forecasts documents a draft plan and available for public submissions
- August 2020 is too late for draft plan
- Use feedback on draft plan to inform content in deep dives
- Role of AER technical experts in deep dives is critical
- Not sure if we can do extensive deep dive in first half of 2020

#### Draft plan elements:

- Narrative
- Expected forecast \$\$
- Engagement approach
- Bring out feedback loops. How do we communicate after key activities → deep dives
- Flesh out governance associated with Customer Panel – what is its role, how does it interact with other groups and stakeholders, are we seeking formal sign off from the panel?
- Joint statement of expectations between Powerlink and panel
- Resourcing – TOR – travel to attend regional forums
- Indication of time commitment for panel members
- Online repository of information – best practice case studies and examples
- Webinars to educate on key aspects (or one-on-one?)

**2. Do we need different/ additional skills on the panel? If so, what skills?**

- If the skill is only required for a shorter time frame, look at consultant support rather than formal member of the panel
- DNRME and Treasury
- IT expenditure
- Comes back to role of Customer Panel
- Regional representative – LGAQ?
- Traditional generators

**3. What key evaluation KPIs should we use to measure engagement effectiveness?**

- What has changed as a result of the engagement?