



## **Response to TasNetworks Revised Regulatory Proposal**

### **'Tariff Assignment'**

2024 – 2029 Regulatory Control Period

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## 1. PURPOSE

The purpose of this submission is to respond to TasNetworks Revised Proposal (TasNetworks Electricity Transmission and Distribution Determination - 1 July 2024 to 30 June 2029) and to highlight the continuing absence of effective and or appropriate stakeholder engagement during the regulatory engagement process particularly in relation to abolishment of tariffs.

## 2. RESPONSE TO TASNETWORKS REVISED PROPOSAL - TARIFF ASSIGNMENT

### Stakeholder Engagement

TasNetworks approach to the 2024 to 2029 Regulatory Determination has been notably different in comparison to previous years where industry engagement has become an element of focus to assist in satisfying the AER guidelines and industry expectation regarding Stakeholder engagement.

Although TasNetworks engagement with industry stakeholders has improved in that TasNetworks encourages industry to be involved, this effort is undermined by TasNetworks continuing to lead the narrative and limiting stakeholders' ability to discuss and work through important topics that do not align with the direction that TasNetworks wishes to proceed.

This point is demonstrated by TasNetworks' failure to engage with industry stakeholders with regard to abolishment of network tariffs, as is outlined in section 5.1 Proposed network tariff assignment policy of TasNetworks ['Tariff structure statement'](#) on page25, submitted to the AER on the 30<sup>th</sup> November 2023.

This proposal was raised at the quarterly 'Electrical Contractor Industry Liaison' (ECIL) meeting on the 6<sup>th</sup> of December 2023, which was held online. The language used by TasNetworks gave the impression that the tariff policy is already decided and would be implemented. As this was the first time that industry stakeholders were made aware of the proposal, stakeholders raised concerns of the lack of consultation.

TasNetworks advised those present during the online meeting that the flat rate tariff for retail customers i.e. TA31, TA41 & TA22 would become obsolete as of 1<sup>st</sup> July 2024 and retail customers will be automatically assigned a ToU tariff (residential TA93 & business TA94). A review of section 5.1 Proposed network tariff assignment policy raises the concern that the policy is not clear, will create confusion for consumers particularly regarding 'opt-out' and the '12-month data collection period'.

The language used by TasNetworks and the reluctance to discuss this subject in more detail demonstrates behaviors that appear dishonest, evasive and undermine stakeholder and consumer trust.

### Tariff Changes & Consumer Understanding

ENTATAS believes that consumers' sentiment has not been appropriately gauged or determined by the Tasmanian DNSP and Retailers. Since the introduction of Power of Choice consumers have been provided with very little information and support in understanding what those changes mean to them.

The introduction of the ToU tariff continues in that theme where the Tasmanian DNSP and retailers have neglected to educate the consumer and industry about the benefits and/or potential impacts that ToU

tariffs may have if applied. The information that has been provided to consumers and industry stakeholders has been a token gesture that has provided no guidance and understanding.

TasNetworks proposal to abolish flat rate tariffs will essentially remove consumer choice. ToU in simple terms attempts to change a consumer's power usage behaviors. For most consumers, changing when household cooking appliances and heating systems are used is not an option due to complexities of life such as work and school hours, and when the family converge on the family home at the end of their day.

ToU for many families provides no benefit, instead increases the impacts on household budgets. Data captured since the introduction of ToU can provide these insights, further discussion on whether ToU provides any benefit for consumers and determine if any benefits are balanced or only provide DNSP and Retailers positive benefits.

Tasmania's unique demographics, landscape and seasonal considerations should also form part of the evaluation process when determining ToU effectiveness as these elements play an enormous part in any outcomes that are achieved.

### Alternate Proposal

ENTATAS proposes that TasNetworks delay the abolishment of TA31, TA41 & TA22, instead proactively and effectively engage with stakeholders and consumers between now and the next regulatory reset period. This delay will provide an opportunity for DNSP's and Retailers to appropriately educate consumers and engage with the industry so that all stakeholders have an appropriate amount of time to consult, consider and provide feedback to assist all stakeholders in obtaining a proposal that is well considered, balanced and worthy of consideration.