

Appendix 1.4: Large gas customer engagement report (Energy Matters Forum)

Access arrangement information

ACT and Queanbeyan-Palerang gas network
access arrangement 2026–31

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1. Energy Matters Forums and interviews

1.1 Overview

As part of its engagement for its five-year gas plan, Evoenergy hosted a series of online Energy Matters Forums and conducted one-on-one interviews with large gas customers across the ACT and Commonwealth Government and private sectors.

These activities formed part of Evoenergy's broader Energy Matters program – a consistent business-as-usual engagement channel for large electricity and gas customers. While the program typically addresses a wide range of energy topics, this series focused specifically on the future of the gas network and the ACT's transition away from gas.

The forums served as a platform to inform, discuss, and gather feedback on key issues and proposals related to the five-year gas plan process. They also acted as a trigger for further one-on-one discussions with customers to explore individual commercial, technical, and operational circumstances in greater depth.

There are 44 large commercial and industrial customers connected to Evoenergy's gas network. These include:

- Tertiary education institutions
- Public and private hospitals
- ACT Government sites (e.g. swimming pools, bus depots)
- Commonwealth Government institutions
- Utilities, hotels, and manufacturers

Evoenergy conducted seven Energy Matters Forums and one-on-one interviews with representatives across 22 large customer sites.

2. Energy Matters Forums

Table 1.1 Meeting overview and topics discussed (August 2024 – March 2025)

Forum	Date	Topic	Audience	Attendance
1a	8 Aug 2024	Transition of gas – introduction	Large government customers	22
1b	15 Aug 2024	Transition of gas – introduction	Private sector customers	18
2a	26 Sep 2024	Cost recovery options	Large government customers	12
2b	26 Sep 2024	Cost recovery options	Private sector customers	9
3a	31 Oct 2024	Tariff structures	Private sector customers	7

Forum	Date	Topic	Audience	Attendance
3b	31 Oct 2024	Tariff structures	Large government customers	13
4	18 Mar 2025	Draft Plan Review	Combined	11

2.1 What was presented

Each forum included a structured presentation tailored to the topic and audience. The following summarises the content covered:

Session 1a and 1b – Transition of gas: introduction

These sessions introduced the policy context, Evoenergy's role, and the gas five-year plan process. Presenters outlined the ACT's path to net zero, key regulatory drivers, and what the transition means for large users.

Session 2a and 2b – Cost recovery options

Focused on different models for recovering the past investment costs of building and maintaining the gas network under reduced usage and the ACT Government policy to phase out gas by 2045. Options considered the impacts on customer prices, equity, timing, and cost recovery. Private sector attendees were more engaged and asked technical and policy-related questions.

Session 3a and 3b – Tariff structures

Explored tariff reform scenarios and potential outcomes for various customer segments. Participants were asked for feedback on the fairness, impact, and feasibility of proposed changes.

Session 4 – Draft five-year gas plan overview

Presented an overview of Evoenergy's draft five-year gas plan released for public consultation, including the preferred cost recovery and tariff design pathway. Customers were invited to review whether the draft plan aligned with their expectations and earlier input.

2.2 What was heard

While feedback during the forums was mixed – with limited input in some sessions, – important insights still emerged. The sessions played a valuable role in prompting one-on-one follow-up conversations, where customers could share their individual circumstances in greater depth. Evoenergy also received positive post-session feedback from a number of participants, who found the information useful and well-structured. Some customers, particularly those with electricity projects underway, saw the forums as a helpful touchpoint in their relationship with Evoenergy.

Awareness and planning

Most participants were aware of the ACT Government's policy direction and some were already exploring or planning their transition to electrification. However, others noted uncertainty around timelines, available support, and the cost and technical challenges involved in switching from gas.

Tariff structures

There was general support for Evoenergy's proposed approach to rebalancing tariffs to better reflect policy goals. Customers appreciated the transparent presentation of options and many indicated that the proposed changes made sense from a usage and fairness perspective.

However, some customers raised equity concerns about the impact on those who are unable to transition quickly due to technical or financial barriers.

"Rebalancing makes sense, particularly considering usage by commercial customers."

"Preference for the change to be moderate. Commercial customers face greater technical challenges and relative costs to electrify."

"Rebalancing with the flatter fee structure... will likely incentivise large customers to accelerate their transition away from gas, which isn't necessarily a bad thing for the ACT Government's policy of electrification."

Cost recovery and network management

Feedback around cost recovery models highlighted a shared concern: that a faster transition by large customers could lead to increased costs for those remaining on the network. There was interest in understanding how costs would be shared fairly and whether alternative uses of the gas network could be considered to mitigate this issue.

"It would be good to see Evo looking at investments in the other side of the gas transition from a future business direction, possibly looking at development of a new business model in addition to decommissioning the network...."

A participant queried whether electricity consumption charges could be used to supplement gas network recovery and suggested exploring reuse of gas infrastructure for other services.

"By any chance, have you considered reutilising gas infrastructure for other applications, like NBN?"

Request for ongoing engagement and support

One customer asked for practical information to support business cases and technical planning. This included timelines for infrastructure upgrades, tariff modelling, and examples of how similar customers are navigating the transition.

Slido feedback

- Slido polls and Q&A gathered input on customers' views and transition readiness:
- Several customers said they were "just beginning to explore options" or planning to transition in the next 3–10 years.
- Key values identified included cost predictability, greenhouse gas reduction, and support for vulnerable users.
- Customers shared a desire for more peer learning and case studies.

3. Interviews

3.1 What we heard

In addition to the Energy Matters Forums, Evoenergy conducted in-depth one-on-one interviews with representatives from 22 of the 44 large gas customer sites. These interviews provided a richer understanding of each customer's circumstances, including their current gas use, electrification readiness, and barriers to transition.

The outputs from these interviews provided input into the five-year gas plan demand forecast. For a detailed summary of interview findings and how they informed demand projections, see Attachment 2: Demand forecast.

Gas usage and transition planning

Customers represented a wide range of sectors, including healthcare, education, hospitality, cultural institutions, and industry. Gas was most commonly used for:

- Large-scale heating (pools, buildings)
- Commercial cooking and hot water
- Medical sterilisation
- Laundry and industrial processes

While a number of customers had begun transition planning, many indicated they were still in early stages or awaiting further clarity on policy and technical options. Several had not yet secured internal funding or business case approval.

Barriers to electrification

The following barriers were commonly raised:

- **Technical constraints:** Some appliances e.g. hospital-grade sterilisation equipment and boilers lack viable electric alternatives.
- **Recent investment in gas infrastructure:** Some customers have recently upgraded or installed new gas systems and are reluctant to retire these assets prematurely.
- **Infrastructure limitations:** Existing electricity supply or building configuration often does not support electrification without significant upgrades.
- **Capital costs:** High upfront investment and long payback periods make some transitions commercially unviable.
- **Policy uncertainty:** Customers are waiting for clearer guidance on transition timelines, incentives, and support.

Equity concerns and risk of stranding

Several customers expressed concern about being unable to transition within the timeframe expected by policy. This raises a risk of being stranded on the network and bearing a larger share of remaining costs. Some customers noted this could create perverse incentives – pushing those with the capacity to exit early while leaving vulnerable sites behind.

Requests for support and collaboration

Customers expressed interest in:

- Case studies from similar sectors
- Site-specific engineering or feasibility advice
- Coordinated planning with Evoenergy and ACT Government
- Incentives for early movers and financial support for upgrades

4. Conclusion

Evoenergy's engagement with large gas customers through the Energy Matters Forums and targeted interviews provided important insights for our five-year gas plan. While forum feedback varied in depth, the sessions were successful in triggering deeper one-on-one conversations that allowed for a more complete understanding of customer readiness and concerns.

Key findings from the engagement include:

- General support for Evoenergy's proposed approach to tariff rebalancing, provided it is transparent and equitable.
- Strong customer interest in ongoing engagement and tailored advice.
- A need for clarity on infrastructure timelines, policy settings, and financial support.
- Real barriers – both technical and financial are facing some customers in their transition to electrification.

These conversations also led to one large customer, Australian National University, offering to provide a gas transition case study, included in the five-year gas draft plan. This highlights the value of direct engagement in building trust and collaboration.