**AUSTRALIAN ENERGY REGULATOR**

**DRAFT Key Issues and Action Items**

DATE: 28 March 2018

TO: AER’s Investor Reference Group on Rate of Return

CC: Warwick Anderson

**SUBJECT: IRG 28 March video-conference**

**Introduction**

The AER arranged an additional meeting for the Investor Reference Group (IRG) and AER staff members. This meeting was held on 28 March in AER offices across Australia via videoconference. The meeting focused on the review process and the IRG involvement moving forward.

**Key Issues**

**IRG Charter and Information Protocol**

Members of the IRG expressed the need for a charter and information protocols in order to avoid sharing confidential information that may be inappropriate. IRG members have identified there may be some members that are unable to participate in certain conversations. The AER supports the introduction of a charter and information protocols and agreed to review the document and stated that conversations should not require information that excludes certain members.

**Concurrent evidence sessions**

The AER gave an overview of the first concurrent evidence session (CES) and the documents that have been published alongside it. The AER and the IRG stated it was a successful and valuable experience. The AER gave a brief explanation of the topics to be discussed in the second CES. The AER stated that the statement of agreed positions will be released after the second concurrent evidence session.

**IRG contribution to AER process**

The IRG discussed with the AER the ability and extent of information sharing. The AER explained that the IRG will have the opportunity to provide contributions and opinions on topics and expert views from the concurrent evidence sessions. The AER suggested that the IRG members may be able to provide some high level perspectives. The IRG indicated it would like to explore options for providing common views noting the need to protect confidentiality and competition. The AER explained the objectives and process of both the Consumer Reference Group (CRG) and Retailer Reference Group (RRG).

**Council of Australian Governments – Energy Council (COAG-EC) draft legislation for a binding guideline**

The AER explained that the guideline review process has included additional steps, so that if the new legislation is introduced, the guideline review will be able to be made binding under the new rules. The AER stated that submissions on the draft legislation proposed by COAG-EC are currently open. The AER stated that the NEO, NGO, and RPPs will take primacy in developing the guideline.

**IRG meeting with the CRG and Consumer Challenge Panel (CCP)**

The AER indicated there may be value in members of the IRG meeting with the CRG and CCP. The AER stated it is a good opportunity for the IRG and CRG to share their views with each other. The IRG expressed desire to engage with consumer groups on their objectives and to highlight that they align with the long term interests of consumers. The AER explained the roles of the CRG and CCP in the review process.

**Independent review panel composition**

The AER indicated that its view of the independent review panel has not changed since the release of the positions paper on 28 November 2017. The AER invited stakeholders to make suggestions on appropriate panel members, with the number of panel members aimed at being 5. The AER explained the role of the independent panel.

**Action Items**

*IRG:*

* *Establish a charter and information protocols for the group to operate within, circulate to all IRG members via email.*
* *Communicate between group members to explore any common views that may be provided to the AER.*

*AER:*

* *Review charter and information protocols established by IRG members.*
* *Send invitation for a subgroup of the IRG to attend a CRG meeting, AER to circulate via email.*
* *Contact CCP and identify the level of interest for a meeting with the IRG.*
* *Organise the next meeting date with the IRG.*