**AUSTRALIAN ENERGY REGULATOR**

**DRAFT Key Issues and Action Items**

DATE: 14 February 2018

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

CC: Warwick Anderson

**SUBJECT: CRG 14 February teleconference**

**Introduction**

The AER organised for the CRG to engage in monthly teleconference to discuss issues for the CRG moving forward. It is largely up to the CRG to decide on which topics will be discussed at the meeting. The agenda included:

* Progress update – CRG/ENA (next meeting – gamma and risk)
* Process map/time line – production of CRG submission
* CRG submission – draft high level content (straw man only)
* Proposed deep dive streams and CRG member roles (stream leader/participants)
* Funding

**Key issues**

**Recap of engagement with the ENA**

The CRG had a positive review of their experience with the ENA. The CRG stated that the ENA is preparing a summary of the outcomes from the meeting. The CRG indicated that engagement with the ENA does include what should go to the concurrent evidence sessions, the CRG also stated they would like to be present at the concurrent evidence sessions.

**Process map**

The CRG want to decide what topics to nominate for deep dives. The CRG stated they would like a list of the topics that will go to the concurrent evidence sessions from the AER. The CRG requested additional resources for a project planner and author. The CRG indicated that they will inform their constituents but not necessarily consult with them. The CRG stated that the period of time they have to design and provide a submission needs to be extended to ensure an adequate submission. The AER stated that two CRG members will be able to attend the concurrent evidence sessions.

**Funding**

The CRG stated that their ability to partake in deep dives will depend on funding. The CRG stated that they will need additional funding for an author and project manager role.

**Action items**

*CRG:*

* Send a letter to the AER that says the CRG will produce a joint submission with broad principles but it will take longer to get a fully reasoned document.
* Circulate summary of 12 February CRG/ENA meeting outcomes.

*AER:*

* Circulate the papers on equity beta, low beta bias and MRP by Frontier Economics – completed.
* Circulate the document outlining the key issues for the concurrent evidence session, when they are finalised.