**AUSTRALIAN ENERGY REGULATOR**

**DRAFT Key Issues and Action Items**

DATE: 5 February 2018

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

CC: Warwick Anderson

**SUBJECT: CRG 5 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:

* A discussion around the governance of the CRG.
* A recap of the CRG & ENA meeting last Friday.
* How best to use the ECA experts.

**Key issues**

**Governance of the CRG**

The CRG considered how best to structure themselves from a process point of view. They saw value in having a Chair and Deputy Chair for the CRG. They also would like to break into sub-groups for deep dive sessions, and that they would like to have flexibility with the group of four CRG representatives to attend the negotiations with the CRG. The CRG will send EOIs and preferences for the position to the AER by the close of business 7 February.

The AER also added that they would like to see the CRG as a collective group representing consumer interests. The AER continued that a single CRG submission would be the most effective way for the CRG to provide input on the rate of return. The AER also stated that the CCP have greater capability and a significant understanding of the regulatory framework. The AER encouraged the CRG to engage with the CCP to make use of this expertise moving forward.

**Recap of engagement with the ENA**

The CRG had a positive review of the first experience with the ENA. The CRG stated that they would like to have CCP involved in the process moving forward as an observer. There is potential for an independent facilitator to be involved with the process, as it transitions further into specific negotiations. There is also a recommendation that the CRG always have a group of 4 people negotiating with the ENA but that this group be interchangeable to make use of different CRG member’s expertise.

**Objectives of the CRG**

The CRG stated that one of their objectives is to negotiate points of agreement with the ENA. The CRG also stated that they are aiming to produce a single joint CRG submission, to increase their influence. The CRG also sees their group as an opportunity to ensure that consumers understand the rate of return better.

**The relationship between the CRG & CCP**

The CRG stated that it is important to differentiate the role of the CRG & CCP throughout the review process. The CRG stated that their role is primarily as an advocate for consumers. The CRG consider the CCP to be another source of expert advice and input. The CRG also provides a consumer perspective for the CCP to consider.

**How to use ECA experts**

The meeting went overtime and unfortunately this topic was not discussed, there was some talk of David Havyatt preparing a note offline on the topic

**Action items**

*CRG:*

* Submit EOIs and preferences for the position of Chair and Deputy Chair to the AER.
* Prepare a document on the agenda items for the sub-group meeting with the ENA and circulate to the overall CRG for comments.
* Attend a meeting with the ENA on 8 February.
* Send a link and instruction for the shared CRG document box to the other CRG members.
* Discuss further the underlying principles of their approach.
* Prepare a note on how to use the ECA experts.

*AER:*

* Arrange for a CRG teleconference this Friday 9 February at 11:30am AEDST.
* Arrange for recurring weekly CRG teleconferences every Monday from 11am-12pm AEDST.
* Contact the CCP to get a representative to attend the ENA & CRG meetings in an observer role.