

Meeting record

Date: 14 October 2021

Time: 1.00 to 1.30 pm

Purpose: Ninth meeting of the **Investor Reference Group** for the 2022 rate of return instrument

Present: ATCO Australia - Allan Hudson
Ausbil - Paul Johnston
OMERS – John Maiolo
QTC – David Johnston
SP Group – Mike Williamson
Spark Infrastructure – Sally McMahon
State Grid International – Albert Tse
AER – Warwick Anderson, Pradeep Fernando, Yuliya Moore, Zhen Wang, Conor McSween

Apologies: ATCO Australia – John Ivulich, Hugh Smith
Australian Super – Daniel Walters, Paul Dawson
Global Infrastructure Partners – Veeral Kanji
IFM – Josh Crane
Magellan – David Costello
Morgan Stanley – Rob Koh
State Grid International – Sandeep Kumar

Meeting notes

- AER staff went through the list of actions from the last RRG meeting, all are complete.
- AER staff provided an update on rate of return working papers:
 - The *Term of the rate of return & Rate of return and cashflows in a low interest rate environment* final working paper was published on 22 September. The findings from these papers will be carried through to the concurrent evidence sessions in 2022.
- AER staff provided an update on rate of return omnibus papers:
 - Stakeholder submissions were received on 3 September for the *Equity, Debt* and *Overall Rate of Return* draft omnibus papers. 31 different submissions were received across the three papers, these can be found on the AER website.
 - The three individual omnibus papers will be merged into one final paper, which will be published in late November or early December. The paper will outline our preferred or preliminary approach to key rate of return topics.
- AER staff provided an update on the *Pathway to 2022* process paper:
 - The paper was released on 27 August and included an open call for nominations for members of the Concurrent Evidence Sessions (CES) and the Independent Panel

(IP). Nominations closed on 17 September. The AER is currently reviewing these nominations and will publish a list of experts for the CES and IP by the end of the year.

- The CES will be run across four sessions over 10 and 17 February 2022. AER Board members will sit in on these sessions as experts provide their views on key rate of return topics.
- An information paper will be published at the end of 2021 that summarises all our working and omnibus papers in preparation for the CES next year. Submissions will be due on this paper 2 weeks after the final CES and they will feed into the draft Instrument.
- The draft 2022 rate of return instrument will be published in June 2022 and handed over to the IP to review.
- Other relevant developments:
 - The AER received responses to the debt data RIN on September 27. The Energy Infrastructure Credit Spread Index (EICSI) is currently being updated with this data, which will be included in the final Omnibus paper and the *2022 rate of return annual update*.

Meeting action items

- AER staff to:
 - Publish meeting record on AER website
 - Organise next meeting and distribute invites (tentatively scheduled for late November).
- IRG members to:
 - Consider whether a submission will be made to the information paper following the CES, due in late February 2022, and plan accordingly.