

# **AER PUBLIC FORUM**

## **4 APRIL 2019 – STAMFORD PLAZA HOTEL, ADELAIDE**

**Presentation by Kelvin Trimper AM  
On behalf of the Customer Consultative Panel**

It is a pleasure to be able to provide a brief presentation to this Public Forum on SA Power Networks' regulatory proposal.

I am giving this presentation on behalf of SAPN's Customer Consultative Panel and wish to register an apology from our Chairperson, Sue Filby, who would have made this presentation if she was available.

I wish to briefly cover four topics.

- The role of the Customer Consultative Panel.
- The consumer engagement undertaken by SAPN as part of SAPN's preparation of its regulatory proposal.
- Our comments on the SAPN's regulatory proposal.
- Our desire for future customer engagement by SAPN.

SAPN's Customer Consultative Panel was established about a decade ago and was revamped with its Terms of Reference being updated in 2017.

Our purpose is to:-

- Provide a forum for listening and discussion on service plans, standards and performance;
- Contribute to continuous improvement to customer service, based on customer experience and feedback;
- Ensure that decisions are made in SA Power Networks with the benefit of important customer viewpoints, perspectives and values;

- Identify new service and product lines which will add value to SA Power Networks' customers; and
- Build mutual understanding and trust between SA Power Networks and its customers.

SAPN has worked hard to establish the role of the CCP. As expected, the relationship has evolved and matured over time, and we have mutually agreed that it is now time to review our purpose and this is currently underway.

Our members represent a broad cross section of consumers and reference group representatives and we are independently chaired.

The reference groups cover Arborist, Business, Community Groups, Renewables and Electricity Advisory Panel.

Our role, and that of the reference groups, is much more than providing feedback to SAPN's regulatory proposal. However, it is fair to state that most of our agendas over the past 12 months have been focussed on this task.

The CCP acknowledges the significant and widespread effort that SAPN has invested in the consultation process undertaken up to the release of the Draft Plan. This commitment has been extensive, prolonged, detailed and resource intensive and the CCP appreciates the numerous opportunities given to members, stakeholders and customers broadly across the State. This has been recognised by the CCP as a significant step change improvement from that used for the previous regulatory reset and is an encouraging indication of the benefits of future collaboration on matters of mutual interest and impact.

The numerous "deep dive" workshops which included the CCP and reference group members together with the various regional workshops provided many opportunities for the CCP, reference groups and other community stakeholders to have exposure to SAPN's draft proposal and the experts who formulated the draft.

However, while we believe that some elements of the regulatory proposal were well explained, examined and subsequently amended with customer feedback, other areas did not necessarily meet the expectations of all members of the CCP or reference groups.

In some instances, this was because the material discussed did not allow for “pub test” considerations and conclusions due to its “highly technical or complex nature”. Examples include discussions around IT Systems, Taxation and proposed Tariff Structures.

Other elements, where consumer representative concerns remain, include lack of productivity gains, CPI applications and IT costs.

We do acknowledge that SAPN did respond to concerns expressed by providing additional consultation sessions for further discussions. These did address a number of the issues raised by some members but universal support for SAPN’s position, on a few items, was not achieved.

We also accept that new, climate friendly energy generation initiatives are having a huge impact on the current network and are creating significant pressure on the network of the future.

In this regard, we know that the State of South Australia is a leader within Australia in the take-up of new energy generation options and strongly support the need to deal with this impact. SAPN has pioneered responses to these initiatives and we have been pleased to see some consideration of cross-subsidisation impacts. However, we note that there is still some guess work and exploration here, for all of us.

We recognise that some of these items require further guidance and clear directives from the AER at a national level, particularly given the rapidly changing energy market and the advent of new technologies. We hope these directives will be in a form which enables us, the consumers, to better understand the rationale for establishing what we will be paying for electricity in the period 2020 – 2025.

Now looking to the future:-

The CCP is fully aware of the evolving nature of consultation and collaboration models in the regulatory and other environments. There is no doubt that many of these are worthy of further exploration. Expectations of general stakeholder and customer engagement and collaboration are growing apace in these areas and there are many new models that are being progressively adopted internationally.

As highlighted earlier, the CCP and reference groups have recently had constructive discussions with SAPN to update our roles and to explore various options for our relationships to positively and proactively progress.

There are no “silver bullets” here. Some engagement models will work, others will fail.

As Aristotle stated, “*For the things we have to learn before we can do them, we learn by doing them*”. In other words, try, try and try again. We have made great progress over the past five years, but we need to re-affirm our efforts and continue our journey towards a relationship where customers are empowered in the engagement process.