

### Statement of Expectations for Networks

Speakers:

Clare Savage (Chair, AER)

Kris Funston (Executive General Manager, Network Regulation)

Arek Gulbenkoglu (General Manager (A/g), Consumers Group)

### **Agenda**

- 1. Welcome, housekeeping—Kris Funston (5 min)
- 2. Opening comments and setting the scene Clare Savage (15–20 mins)
- 3. Statement of Expectations for Networks overview Kris Funston (20 mins)
- 4. New assessment process under the Statement of Expectations for Networks – Arek Gulbenkoglu (30 mins)
- 5. Next Steps and any other questions Kris Funston (10 mins)
- 6. Thank you and close Clare Savage (5 min)

Agenda items time for items 2 to 4 include 5–10minutes for questions



# Why publish a Statement of Expectations for Networks?

Clare Savage

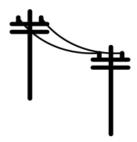


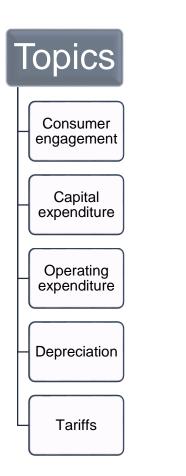
## Statement of Expectations for Networks overview

**Dr Kris Funston** 

### Scope of the Statement of Expectations for Networks



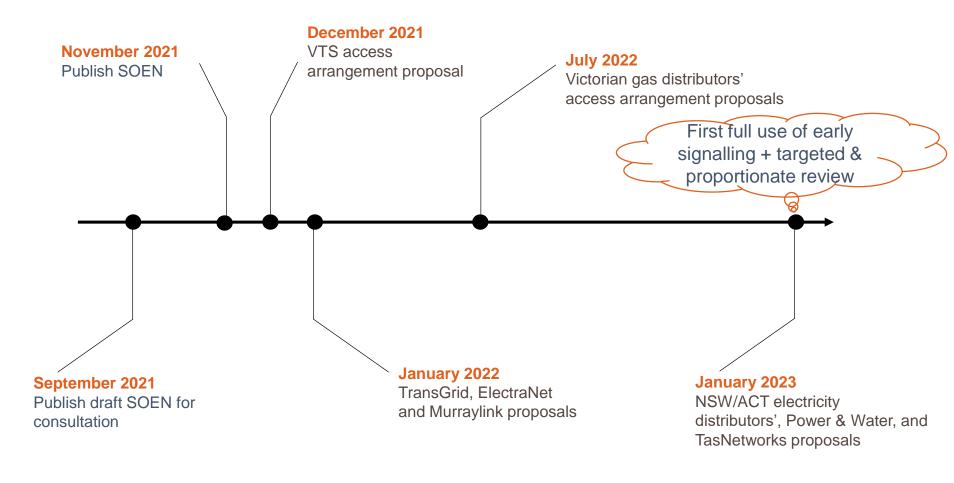








## Application of the Statement of Expectations for Networks





## Assessment approach under the Statement of Expectations for Networks

Arek Gulbenkoglu

## Assessment approach under the Statement of Expectations for Networks

Network initiates process

- Consumers consulted on desired outcomes and building blocks elements
- AER supports pre-lodgment engagement, as necessary

Network publishes draft proposal

- Range of engagement channels used to develop draft proposal
- Feedback loop for network response to stakeholder submissions
- AER engagement to support customers and address any identified issues

Network submits proposal

- Gives effect to customer preferences
- Meets AER's expectations on building blocks
- Independent customer report on proposal

AER Issues Paper

- Signal on elements subject to targeted and proportionate review
- Highlight outstanding issues
- Seek stakeholder submissions

Draft decision

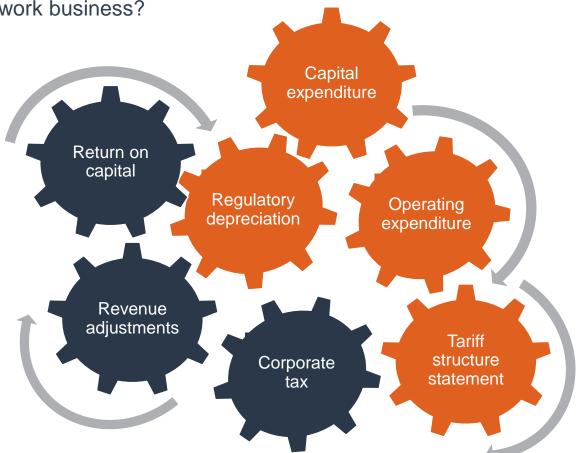
- Accept proposal or identify elements which are accepted
- Highlight issues of concern and provide alternative forecasts
- Assess consumer engagement process

#### **Pre-lodgement**

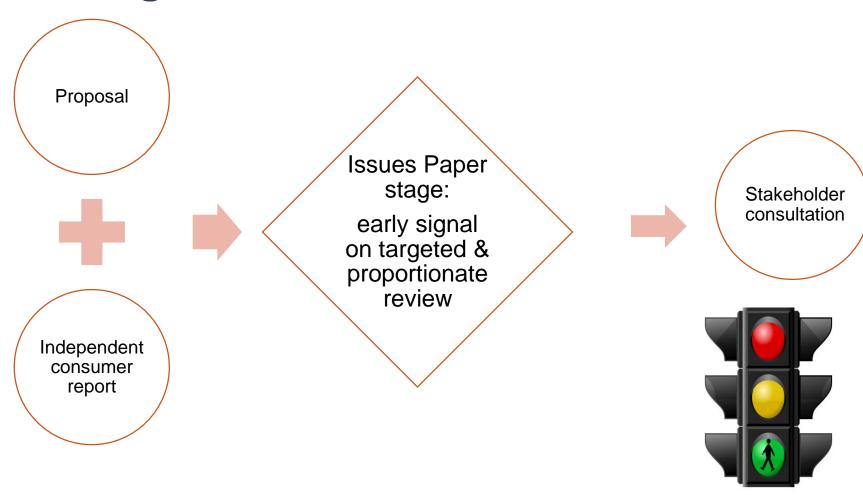
Network business engages with consumers in developing proposal

What do we expect from the network business?

What is the role of the AER?



### **Post-lodgement**



#### **Next steps**

- Initial feedback send written responses by 26 August to <u>RegulatoryInnovation@aer.gov.au</u>
  - 1. Do you consider the proposed Statement of Expectations for Networks approach would help achieve the NEO/NGR?
  - 2. What are the potential risks of the Statement of Expectations for Networks process and how can these be mitigated?
  - 3. What areas of the Statement of Expectations for Networks process do stakeholders want more detail/guidance?
- Consult on draft Statement of Expectations for Networks September
  - 4 week consultation period with a stakeholder forum
- Aim to release the finalised Statement of Expectations for Networks in late November