

OTTER CUSTOMER CONSULTATIVE COMMITTEE

MEETING NO. 4/2017

2.00 PM WEDNESDAY 13 DECEMBER 2017

MURRAY ROOM, THE TREASURY BUILDING,

21 MURRAY STREET, HOBART

DRAFT MINUTES

2:00 pm Meeting commenced

1. Apologies

Present

Dr Cynthia Townley (TasCOSS)
Mr Geoff Fader (Tasmanian Small Business Council)
Mr Robert Mallett (Tasmanian Small Business Council)
Ms Georgia Palmer (Local Government Association of Tasmania)
Ms Kate Cox (Energy Ombudsman Tasmania)
Cr Peter Rhodes (Flinders Council)

In attendance

Mr Joe Dimasi (Tasmanian Economic Regulator)
Mr Dean Burgess (Director, OTTER)
Mr Daniel Hanek (Principal Policy Analyst, OTTER)
Ms Toulia Alvanos (Administrative Assistant, OTTER)
Ms Sue Morrison from the Department of State Growth attended the meeting to present Item 5.
Mr John Sayers from TasNetworks attended the meeting to present Item 6.

Apologies

Ms Margie Law (Anglicare Tasmania)
Mr Peter Skillern (Tasmanian Farmers and Graziers Association)
Mr Nick Steel (Tasmanian Farmers and Graziers Association)
Mr Michael Bailey (Tasmanian Chamber of Commerce and Industry)
Mr David MacFie (Australian Competition and Consumer Commission)
Mr Brian Wightman (Property Council of Australia - Tasmania Division)
Ms Elizabeth Skirving (CEO, Rural Business Tasmania)
Mr Charles Scarafioti (Property Council of Australia - Tasmania Division)

2. Ratify minutes from meeting 20 September 2017

The minutes from the meeting of 20 September 2017 were ratified.

3. Water and sewerage - Price Determination Investigation - Draft Report

Mr Dean Burgess (Director, OTTER) made a presentation to members on the content of the 2017 Water and Sewerage Investigation Draft Report (the Draft Report). The presentation covered the:

- proposed price changes for standard water and sewerage services;

- process that OTTER and the Regulator adopted in developing the preliminary recommendations contained within the Draft Report;
- points where the Regulator has proposed accepting TasWater's proposals;
- points where the Regulator has proposed adopting alternative positions to those proposed by TasWater; and
- keys steps and timing for the remainder of the current Water and Sewerage Price Determination Investigation.

Mr Burgess noted that the objective of the presentation was to help stakeholders focus on potential points of interest during the consultation period and reiterated the importance of receiving submissions on the Draft Report from stakeholders, particularly from those representing customers. Mr Burgess also advised members to contact OTTER if they have any queries about the content of the Draft Report.

Members noted that the closing date for submissions on the Draft Report was 25 January 2018.

4. Energy - Energy Security Monitor and Assessor - Annual Energy Security Report and monthly reporting

Mr Dan Hanek (Principal Policy Analyst, OTTER) made a presentation to members on the Energy Security Monitor and Assessor role that is now being performed by the Tasmanian Economic Regulator. The presentation covered the:

- background to the creation of the Energy Security Monitor and Assessor role;
- energy security framework adopted by the Government, including the energy security risk response arrangements and the High Reliability Level and Prudent Storage Level in relation to Hydro Tasmania storage levels;
- role and functions of the Energy Security Monitor and Assessor and the separate Energy Security Coordinator;
- content and findings of the first Annual Energy Security Review and first monthly Energy Security "Dashboard", both published by the Regulator in November 2017; and
- next steps in the development of the Energy Security Monitor and Assessor role.

Mr Hanek noted that the content of the Annual Energy Security Review and Monthly Dashboard is likely to be refined and improved over time and the Regulator and OTTER welcome any comments on the content of these reports.

5. Energy - Department of State Growth - Overview of current national energy reforms

Ms Sue Morrison (Department of State Growth) provided an update on the current status of national energy reforms. In particular Ms Morrison noted that:

- the Commonwealth Government's proposed National Energy Guarantee (NEG) will require retailers to purchase electricity to meet defined reliability and lower emissions targets, with trade across regions;
- the intention is to implement the NEG through the National Electricity Law, which would require the unanimous support of the COAG Energy Council and consultation with stakeholders, by the Energy Security Board, is expected in early 2018;
- the annual Price Trends Report published by the Australian Energy Market Commission is due out prior to Christmas 2017;

- reports are expected soon from the Australian Energy Market Operator into integrated networks and the health of the National Electricity Market; and
- work is currently underway under the Energy Market Transition Scheme covering stand-alone power grids, registration of distributed energy resources (solar generation and battery storage) as well as consumer protection for products offered after the meter.

6. Energy - Department of State Growth - Overview of current national energy reforms

Mr John Sayers (TasNetworks) provided an update on TasNetworks' regulatory reset process and the Power of Choice reforms.

Mr Sayers noted that TasNetworks revenue submission is due with the Australian Energy Regulator by the end of January 2018. Mr Sayers noted that there was no significant capital expenditure expected in relation to transmission, but that a large proportion of distribution assets were approaching the end of their useful life, being approximately 50 years since the 1967 bushfires when a significant proportion of distribution assets (including poles, wires and other assets) were replaced. Mr Sayers indicated that TasNetworks were proposing to re-profile some capital expenditure to manage the associated price impacts.

In relation to the Power of Choice reforms, Mr Sayers advised that TasNetworks had achieved a successful cut-over of the business-to-business system changes that were required, but noted that some more changes may need to be made. Mr Sayers also noted that TasNetworks was still providing some support to Aurora Energy and its metering service provider (Metering Dynamics) as part of the changes to electricity metering arrangements.

7. Tasmanian Ombudsman update

Ms Kate Cox, (Office of the Energy Ombudsman) outlined the recent experience with complaints regarding electricity entities for the quarter ending September 2017.

8. Projects on the go

The Committee noted the December 2017 edition of Projects on the Go.

9. Other Business

Future meeting dates

The Committee noted the meeting dates.

It was agreed that the next meeting would be scheduled for Wednesday 14 February 2018 at 2.00pm.

The meeting closed at 4:15 pm.