

OTTER CUSTOMER CONSULTATIVE COMMITTEE

MEETING NO. 1/2018

2.30 PM WEDNESDAY 14 FEBRUARY 2018

MURRAY ROOM, THE TREASURY BUILDING,

21 MURRAY STREET, HOBART

DRAFT MINUTES

2:30 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 Kate Cox (Energy Ombudsman Tasmania)
Ms Margie Law (Anglicare Tasmania)
Mr Charles Scarafiotti (Property Council of Australia - Tasmania Division)
Cr Peter Rhodes (Flinders Council) - via phone

In attendance

Mr Joe Dimasi (Tasmanian Economic Regulator)
Mr Dean Burgess (Director, OTTER)
Mr Glenn Bounds (Assistant Director, OTTER)
Mr Bryce Matthews (Executive Officer, OTTER)
Mr Tom Reid (Principal Policy Analyst, OTTER)
Ms Toulia Alvanos (Administrative Assistant, OTTER)
Ms Kirsten Wilding and Ms Laura Jones from TasNetworks attended the meeting to present Item 3.

Apologies

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)
Ms Georgia Palmer (Local Government Association of Tasmania)

2. Ratify minutes from meeting 13 December 2017

The minutes from the meeting of 13 December 2017 were ratified.

3. Electricity - TasNetworks - Update on Bruny Island Battery Trial and Tariff Trial

Ms Laura Jones from TasNetworks provided an update on the Bruny Island Battery Trial. It was noted that:

- Bruny Island was selected for the trial because of its seasonal population fluctuations (the Island has approximately 300 permanent residents, which rises to around 1200 people at peak holiday times) combined with a capacity constrained undersea cable link is causing supply problems at peak times that could potentially be addressed by using embedded battery storage.
- Under the trial, (where subsidised batteries and solar panels have been offered) 163 visible battery connections (meaning the batteries are known to TasNetworks and are controllable by them) have currently been installed by customers on the island.
- The energy stored in the batteries will only be used by TasNetworks when necessary to address network issues.
- The first step has been to ascertain that TasNetworks has the technical ability to activate the energy from the batteries remotely. While early in the trial, this has been successful to date. Assessing potential benefits to the network and developing customer contractual/pricing arrangements require further work.
- In the longer term, it is likely that TasNetworks will be encouraging customers to install batteries, but only in areas where batteries provide the cheapest option to address network/electricity supply issues.

Ms Kirstan Wilding gave an update on the “TasNetworks empowering You Trial”. It was noted that:

- The purpose of the emPOWERing You trial was for TasNetworks to assist in tariff reform by gaining a better understanding of customer usage patterns as well as trialling techniques to improve customer communication and engagement.
- The trial has allowed TasNetworks to gain a better understanding of the usage patterns of their customers. Whilst customers also had the opportunity to better understand their usage pattern, to date relatively few people have actively sought information.
- The next stage of the trial will be to provide real price signals (through bill adjustments) to assess how customers adjust their usage in response to time of use and capacity price signals. This is expected to increase customer engagement.

4. Energy - Performance Reporting - 2016-17 Energy in Tasmania Performance Report

Mr Bryce Matthews (Executive Officer, OTTER) made a presentation to members on the content of the Energy in Tasmania 2016-17 Report. The presentation provided a summary of the highlights of the Report and an update of the trends in hydro and wind generation and Basslink.

There was some discussion about the Regulator’s role as Energy Security Monitor and Assessor as well as the increases in 2016-17 of costs associated with provision of Frequency Control Auxiliary Services (FCAS). Mr Burgess noted that OTTER had investigated the increases in FCAS costs and they appear to be a result of the prevailing high prices in the National Electricity Market, rather than any inappropriate market behaviour.

It was agreed that both FCAS and the Regulator’s Energy Security Monitor and Assessor role should be considered as agenda items for future Committee meetings.

5. Water and Sewerage - Price Determination Investigation - Issues raised during consultation and next steps

Mr Glenn Bounds provided an update on the issues raised in the submissions for the Water and Sewerage Price Determination Draft Report. The presentation covered:

- A summary of the issues raised in the submissions.

- Key steps and dates for the remainder of the Water and Sewerage Investigation.

It was noted that there is a wide range of issues that still need to be addressed. There was a general discussion about some of the outstanding issues. In particular, Mr Scarafiotti stressed the need to address issues with the application of the Equivalent Tenements methodology for setting sewerage charges, suggesting that a discharge factor applied to water use would be a more effective and equitable arrangement.

6. Tasmanian Ombudsman update

Ms Kate Cox, (Office of the Energy Ombudsman) outlined the recent experience with complaints regarding electricity entities for the quarter ending December 2017. Ms Cox noted that electricity disconnections were down over the period, but this may have been due to a temporary cessation of disconnections while the new metering reforms were introduced from 1 December 2017.

7. Projects on the go

The Committee noted the February 2018 edition of Projects on the Go. It was noted that the Government has issued Terms of Reference requiring the Tasmanian Economic Regulator to undertake a Prescribed Body Inquiry into TasNetwork's provision of information technology infrastructure as a service.

8. Other Business

Future meeting dates

The Committee noted the meeting dates.

The next meeting of the Committee was scheduled for 16 May 2018. However, due to a clash with a conference that members would be attending, it was agreed that the next meeting be rescheduled for a different day around 14, 15 or 17 May 2018.

The meeting closed at 4:15 pm.