

OTTER CUSTOMER CONSULTATIVE COMMITTEE

DRAFT MINUTES

MEETING NO. 4/2019 - 9.30 AM THURSDAY 5 DECEMBER 2019

21 MURRAY STREET, HOBART

9:30 am Meeting commenced

1. Welcome and apologies

Present

Mr Geoff Fader (Tasmanian Small Business Council)
Mr Stephen Durney (TasCOSS)
Mr Jack Gilding (Tasmanian Renewable Energy Alliance)
Mr Robert Mallett (Tasmanian Small Business Council)
Mr Tommy Wong (Tasmanian Chamber of Commerce and Industry)
Mr Charles Scarafiotti (Property Council of Australia - Tasmania Division)

In attendance

Mr Joe Dimasi (Economic Regulator, OTTER)
Mr Chris Lock (Director, OTTER)
Mr Glenn Bounds (Assistant Director, OTTER)
Ms Julia Ma (Research Officer, OTTER)
Ms Toulia Alvanos (Executive Officer, OTTER)

Apologies

Mr Michael Bailey (Tasmanian Chamber of Commerce and Industry)
Mr Andrew Hunt (Australian Competition and Consumer Commission)
Mr Luke Sheehan (Australian Competition and Consumer Commission)
Mr Brian Wightman (Property Council of Australia - Tasmania Division)
Ms Kate Cox (Energy Ombudsman Tasmania)
Ms Rosalind Herbert (Council of the Ageing)
Ms Elizabeth Skirving (CEO, Rural Business Tasmania)
Ms Margie Law (Anglicare Tasmania)
Mr John Pauley (Council of the Ageing)
Ms Georgia Palmer (Local Government Association of Tasmania)
Mr Ray McKendrick (Energy Ombudsman Tasmania)
Ms Tracey Brown (Energy Ombudsman Tasmania)

2. Ratify minutes from meeting 5 December 2019

The minutes from the meeting of 5 December 2019 were ratified.

3. Electricity - Project Marinus

Mr Prateek Beri from TasNetworks gave an update on Project Marinus. The presentation touched on the benefits of Marinus to Tasmania. It was mentioned that a new link would not only allow to Tasmania to sell electricity but it would also create jobs. The jobs created would not only be for the construction and maintenance of Marinus but also for new clean energy generators, such as wind farms, solar and pumped hydro. The construction of Marinus Link and accompanying clean energy generators would be done in two stages and take two decades.

The next steps for Project Marinus are:

- Engagement on the proposed route and securing route corridors
- Working with AEMO as it finalises the 2020 (and 2022) ISP
- Contributing to ESB review of new pricing methodology for interconnectors
- Securing funds to invest in progressing the project
- Commencing the Design and Approvals phase, including progressing engineering concept designs and environmental approvals
- Ongoing stakeholder engagement (including community and landowners)
- Contributing to shareholder considerations of ownership and funding

4. Water and Sewerage - Recovery of fixed and variable costs/PSP4 Update

Mr Chris Lock from OTTER and Mr Ben Morris from TasWater gave a presentation on the Recovery of fixed and variable costs for water and sewerage costs. The presentation covered:

- Pricing principles under the *Water and Sewerage Act 2008*
- The reasons customers prefer variable over fixed cost pricing
- Water scarcity responses

Ben then gave an update on PSP4. The key research findings to-date were noted, and it was mentioned that most public engagement is to be completed by the end of March 2020. A snapshot of the PSP4 will be sent to customers in a brochure to be distributed July 2020.

5. Energy - Typical Electricity Customers Report 2020

Ms Julia Ma (Research Officer, OTTER) gave a short presentation on the Typical Electricity Customers Report 2020. The Regulator released the report in February 2020. The Regulator uses typical customer usage information to assess Aurora Energy's proposed electricity prices in terms of the impact of price changes on customers; and compare regulated electricity tariffs in Tasmania and interstate.

The presentation gave a good understanding of electricity tariffs are analysed to create the report.

6. Energy - 2018-19 Energy in Tasmania Report

Ms Julia Ma also delivered a presentation on the Energy in Tasmania Performance Report. The Regulator released the Energy in Tasmania Report on 17 February 2020. The Report provides performance information about the Tasmanian electricity and gas supply industries. The presentation covered:

- An overview of significant events occurred throughout the year

- The demand and generation of electricity
- The distribution and transmission of gas

It was mentioned that all generation sources increased output except thermal. In more recently years, Tasmanian demand for electricity has consistently exceeded Hydroelectric generation, which means Tasmania's renewable energy target is achieved by the addition of wind generation. It was noted that Basslink exports increased, imports decreased. Tasmania was a net exporter of electricity through Basslink.

7. Tasmanian Ombudsman update

Mr Sam Christensen (Office of the Energy Ombudsman) outlined the number and nature of complaints regarding water and sewerage for the quarter ended December 2019.

8. Projects on the go

The Committee noted the March 2020 edition of Projects on the Go.

9. Other Business

Next meeting

It was agreed that the next meeting will be scheduled for Thursday 18 June 2020 at 9.30am.

The meeting closed at 12:40 pm.