

## AusNet Services EDPR Customer Forum

### 11 October 2018 meeting minutes

#### Attendees

<b>Customer Forum (CF)</b>	<b>AusNet Services (AST)</b>
Tony Robinson John Mumford Greg Camm Dianne Rule	Tom Hallam Tom Langstaff Justin Harding Penny Gray Rachael Quigley Charlotte Eddy Dee Rose Michael Larkin Rob Ball

#### Apologies

Helen Bartley

#### DER integration

##### ***Impacts of the Vic Govt's Solar Subsidy policy on AST***

AST discussed impacts of the Vic Govt's Solar Subsidy on:

- Its forecasts of DER uptake due to the policy, which is expected to increase solar connection requests from ~10,000 currently to 17,000-21,000 per year
- Customers, who may face increases in processing times due to large volume increases, decreases in satisfaction, less payoff from DER investments and higher augex costs to accommodate DER.

AST noted it has already taken several steps to manage the impacts of the policy, including establishing a 'solar subsidies' working group, meeting with Solar Victoria and the Victorian Government to discuss a path forward for successful implementation, and assessed short term resources to manage increasing volume of customer enquiries (e.g. Call centre, New Conns & Customer & Community).

The customer desire for unconstrained export was also discussed, which AST considered was strong and clear from the research it has undertaken. The Forum noted the research showed that the key reason customers have installed solar was to reduce bills – all agreed this could mean by exporting energy.

The Forum indicated it would like to explore with customer advocates whether the reduced capacity to accommodate DER in regional areas should result in lower network charges. AST noted that these customers are currently heavily cross-subsidised by urban customers.

### ***DER connection charging options***

The following options to recovering the cost of expenditure to accommodate increasing DER were discussed:

- **Status Quo** – All customers fund the efficient augmentation costs through network charges. This is consistent with the current regulatory framework.
- **Additional connection charge for new connecting DER customers** – only DER customers contribute to efficient augmentation costs, via connection fees. This could be applied to:
  - Some new connecting DER customers (i.e. those able to export)
  - All new connecting DER customers
- This option would require regulatory change to proceed.

AST noted that while augmentation costs may not be significant in 2021-25, the costs are likely to increase significantly in future periods, leading to bill increases for all customers under Option 1

The Forum considered that customers value transparency and consistency in any cost recovery arrangement.

All agreed that the options above should be tested with customers and stakeholders in the draft proposal in December.

### ***Distributed Energy Network Optimisation Platform (DENOP)***

AST presented an overview of what it expects a DENOP to allow, including increased 'hosting capacity' on the network and reduced network upgrade costs. AST noted that considerable work is needed to operationalise a DENOP (e.g. understand customer experience requirements, model and test technical requirements, collaborate with tech providers and installers etc.). The customer benefits, including a more equitable sharing of network access for solar export, and reduced solar curtailment overall, were discussed.

### **Revenue proposal update**

AST updated the Forum on its latest revenue forecasts, which incorporated several updated, including refined IT and replacement capex forecasts, and a lower WACC reflecting recent AER decisions.